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POLITICAL SCIENCE QUARTERLY.

TRUSTS.

THIS country is the especial home of trusts, and very revolutionary are the changes that their presence is making. If the carboniferous age were to return and the earth were to repeople itself with dinosaurs, the change that would be made in animal life would scarcely seem greater than that which has been made in business life by these monster-like corporations. Their size is, however, one of the few things about them of which we can be absolutely sure. Whether in the long run they will prove to be benevolent or malevolent we cannot know more positively than we can know whether the extinct saurians were gentle or fierce. In both cases the looks imply a degree of fierceness. But we do not know definitely whether the trusts will permanently raise prices or lower them, or whether they will permanently lower wages or raise them. We do not know whether they will in the end impair investments or make them more secure. It is a singular fact that, in the face of all of these uncertainties about the character of trusts, there is one type of law that the people of many states have been able to agree upon, and that is the kind of law that aims to crush them. We propose to exterminate the monsters on uncertainties. The Montana verdict, that the man who accidentally shot another deserved hanging, because in such matters a man should know his own mind, would seem to be applicable here; for a country should know its own mind before destroying an institution.

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More general than the opinion that the trusts ought to be crushed is the conviction that they will not down. They are here to stay, and we know it. An explanation of the light-hearted way in which we put upon the statute books laws that aim to crush them is found in the fact that such laws do their principal work before they are enacted, when they are nothing but planks in political platforms. In the present temper of the public mind severe measures are at least good for the party that promises them; and, if by an experiment or two it is shown that they are not workable, there is the less danger in continuing to enact them into laws. In general, political platforms have of late required prohibitive statutes, with pains and penalties attached to them; and though such statutes have frequently been enacted, so far as large results are concerned, that has been the end of it.

Unless we can "fool all of the people all the time," we shall be forced sooner or later to change this policy; for the people will have laws that not only sound well, but work well. In order to obtain them, the first step is to get a more thorough knowledge of the facts concerning trusts and their operation. We certainly need to know more than that in its outward appearance a trust resembles an octopus.

Not baseless, certainly, are the accusations that are universally brought against the trusts for their conduct toward their competitors. Their policy is predatory enough. They do not kill men in a literal way, but to a large extent they do kill competition. They often make property in the shape of rival plants very insecure. One of the things that need to be determined is whether the independent producers who have been crowded out of the field are unfortunate sufferers from natural progress, or whether they are the victims of a wrong against which society should protect them. Mere centralization means a crushing out of competitors by a process that, however hard it is for them, is in a way legitimate; for it is an incident of the process of the survival of the fittest. The large and economical establishment survives, and society gets benefit from the fact. But centralization that goes to the length of quasi-monopoly takes a different

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color, for it may exterminate competitors in ways that do not benefit society. The employers who are forced out of the field are not then vicariously sacrificed for the good of the public as a whole. Indeed, the sacrifice of them works exceedingly ill for the public; and it must at all hazards be stopped, if society is to avoid graver evils than have recently come upon it from any economic cause.

How much power does great size give to one of these corporations? Can it, if it will, have the market practically to itself? Can it charge what it will for its goods? Can it shut up as many of its own mills and discharge as many of its own laborers as it pleases? Is there anything to prevent it from acting as a genuine monopoly? If there is not, the situation will soon be intolerable, so that no treatment to which the state may be forced to resort, in order to rid itself of the trust, will be unjustifiable.

I.

There are two important facts to be noted before we can conclude that the trusts actually have, in so high a degree, the power of monopoly. The first is a weakness in the organization of the trusts themselves, and the second is the existence of a powerful restraining force in their environment. Both of these serve to curtail their monopolistic power. It might seem that, if this is so, the internal weakness of the trust ought to be fostered by the public for its own protection. May we not say that whatever weakens our enemy strengthens us? Should not a policy that would make the trust a more perfect thing, in its internal arrangements, be the last one to be adopted? Curiously enough, this is not the case. We can even help to protect the public by insuring to the trust a sounder organization. Although, as competitors, trusts are now somewhat handicapped by internal weakness, there is a method of removing that weakness which will not imperil the interests of the public, but will contribute in a certain positive way toward protecting them.

(1) It should not be overlooked that at present the trust is a very imperfect thing. It is composed of a body of stockholders,

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a few of whom are promoters and directors. Theoretically all of its proceedings are for the benefit of the stockholders. If this were really the fact, the great issue would lie between the trust, as a whole, and the public. As it is, however, there is a more immediate and pressing issue between the manipulators and the shareholders. The investor is at present the most conspicuous of the trusts' victims; and measures for the protection of the honest and innocent investor, whose money is filched out of safe places into these perilous ones, stand first in the order of time and of immediate importance. It fortunately happens that the very things which will protect the shareholder will injure neither the body of consumers nor the excluded laborers, but will contribute toward the protection of both of these classes. There is, therefore, complete harmony between the policy that stands guard over honest capital which is lured into a position of danger and the policy that protects the public from extortionate prices and workmen from enforced idleness.

The condition of an overgrown trust often resembles that of the wolf in the Russian story. As the members of a pack were shot, one at a time, by the occupants of the sleigh that they were pursuing, each victim was devoured by his comrades; and when the number was reduced to one, this survivor had virtually eaten his thirty-nine mates. It was observed that he wobbled somewhat in his gait and no longer kept up with the sleigh. A trust that, as the saying goes, has "swallowed" thirty-nine competitors cannot, in the nature of the case, be in an altogether healthy condition; for its power of digestion and assimilation is not unlimited. Very often the management of the trust is inferior to that of the corporations which were absorbed by it. The promoter's purpose is attained when he has merely formed the corporation, gotten his slice of the stock and realized on it in the market. He may have neither the energy nor the skill that is required for managing the consolidated company. He forms the combination and leaves it to its own devices — and often they are bad ones.

If this were all that the stockholder had to fear, his case would be better than it is; but unhappily a management that

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is bad for business may be good for speculative purposes. When profit cannot be secured by making goods and selling them, it may often be gained by "milking" the market for the stock or by wrecking the corporation. What the investor needs before all things is security. He wants to have the trust make money by producing goods and selling them for more than they cost. But the manipulator often wants something so distinct from this as to draw a sharp line between his interests and all legitimate interests. It follows, therefore, that the first thing to be done for the benefit of all parties interested is to clear out a mass of iniquity within the organization; and the means that promises to be most efficient for this end is publicity. When there are so many persons demanding the application of this principle and so few opposing it, there is little doubt that it will be practicable to get it. The trusts must stand the turning of light upon their internal affairs. The public must know what plants they own, what they gave for them, what they are worth at present, for how much they can be duplicated, what appliances they contain, whether antiquated or modern — in short, what is the substantial basis for the value of the stocks and bonds that are placed on the market. This knowledge is at present inaccessible. The investor who puts money into the trust must guess as best he can what property he is getting, and the guess is apt to be a bad one for him. The making public of such business facts as have just been specified would remove the gravest evils from stock watering. If the investor could know that there was only one dollar of property back of five dollars of stocks and bonds, he could buy the securities at a discount from par that would make him safe.

(2) In the minds of the great mass of the people, however, the innocent investor is not the chief subject of thought or care. What the public chiefly wishes to know is whether the trusts are to possess and use monopolistic powers. Can they make goods dear at pleasure? Can they turn off bodies of workmen and make it hard for them to get new places? If they are genuine monopolies, they can do these things; but if much competition survives, they cannot.

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It is coming to be generally known that what it is the fashion to call "potential competition" has for a decade or two protected the public against really monopolistic extortions. If the trusts charge too much for their products, new mills are built and prices go down. Many early trusts did this, and new mills were built. These facts have served as object lessons for the managers of trusts. While they have to some extent put up prices, they have largely kept them below the level at which new competitors would be called into the field. Wholly intolerable would be our present condition, if this were not the case. As it is, we are not greatly conscious of being under an oppressive power; and we can therefore look at the situation with calmness and, before deciding upon a permanent policy with regard to trusts, we can take time for deliberation. All this is due to the fact that potential competition is working powerfully to protect us. It is not an influence of our own devising; it has set itself at work with no thought on our part, but it accomplishes indefinitely more than statutes have ever done; and if it worked in perfection, there would be no need, in this connection, of our doing anything. We might protect the investor and go no further.

There is very much to be said in favor of a system in which competition of the old type should have ceased. One can picture to himself the world as no longer filled with actual competitors engaged in an overt struggle with each other. One can imagine a department of business no longer represented by a hundred mills of one kind, working independently of each other and struggling desperately for patronage. One can imagine a condition in which it would not be necessary for rival producers to pull bewildered purchasers this way and that by the eloquence of travelling salesmen, by the enticing statements of newspaper advertisements and by the allurements that are offered by combined art and eloquence, as these are condensed into the peculiar decorations with which American roadways are supplied. A nearly ideal condition would be that in which in every department of industry there should be one great corporation, working without friction and with enormous economy, *and compelled to give to the public the full benefit of that economy.* This last is

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the crucial point; for it looks far easier to secure the monopoly of the field, and even a large part of the economy that this ought to insure, than to secure the making over to the public of the benefits that accrue.

It happens, fortunately, that the degree of publicity which will protect the investor will also afford a certain help in protecting the consumer. Among the things that the public must know is the earning capacity of the plants that the trust owns. If this is large, the inducement for capital to enter the same field is proportionately large. It is clear, however, that such publicity is far from accomplishing all that the public wishes to have accomplished. It is conceivable that the investor may be made safe, while the competitor may be sacrificed, so that the consumer and the laborer may then find their interests in great danger; and the more difficult problem for the people to solve is the one which they have all along been trying to solve — that of protecting these latter classes.

II.

The principle of monopoly itself is not perilous for that investor whose capital is in the monopoly, but it is intolerable for every one else. It is safe to say that our people will ultimately find or make a way to destroy any genuine monopolistic power that is in private hands; and it is nearly safe to say that, if we do nothing beyond protecting the investor, the trusts will acquire too much of this power and will become less and less endurable. The restrictions that now hold them in check are not likely of themselves to grow stronger as time advances, while the trusts are likely to grow much stronger. Monopoly power that is increasing and restrictions that are diminishing in force point to a time when something positive will certainly have to be done in defense of property rights, if not of personal liberty. The measures that it is possible to take are not many.

First, we may prosecute with more intelligence the effort to break up the trusts into smaller corporations. It has, for example, been suggested that no corporation should be permitted to have more than a certain amount of capital. But if a

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maximum of capital were fixed for all industries, the difficulty would be that an amount which is too small for prosecuting one type of business would be sufficient to enable a company to monopolize another. A more effective policy would allow capital to vary in different kinds of business, but would so restrict the output of each corporation that no one could produce more than a certain proportion of the whole output of goods of the kind that it makes. If no corporation were allowed to produce more than one-fourth of the goods of a certain kind that were produced in a whole country, we should be sure of having at least four establishments in each department of industry. We should, however, be much less sure that the four competitors might not find a way to act in harmony and to secure the benefit of monopoly under the outward form of competition. Moreover, this forcible regulating of the growth of business establishments is wholly out of harmony with our historical practice and our principles.

Secondly, we might abolish customs duties on all articles manufactured by the trusts. We might in this way appeal to the foreign producer to become the protector of the American consumer. There is no denying the efficacy of such a measure. It is idle to say that, because trusts exist in free-trade countries, our present tariff is not effective in promoting them. Trusts have very little power in free-trade countries. In England there is very little popular objection to them, because in that country they have developed a certain power for good and very little for evil. If interests like those which now resist a very small infringement of our protective system, in spite of the fact that the honor and the welfare of the whole country require it, could be so completely overcome as to allow the sweeping away of a great body of duties, many things would happen: the whole industrial life of the country would be translated to a new plane, and it would be found that the trust problem, for the time being, would be far less troublesome. But the policy of protection will not yield easily; and, indeed, the system as a whole ought not to be swept away too ruthlessly. Moreover, it may be said that if, in the remote future, trusts should become international in scope, even

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a free-trade policy would no longer be adequate for the protection of the public.

Thirdly, it is conceivable that we might introduce an elaborate system of price regulation. We might accept monopoly as inevitable, but prescribe, in a minute and detailed way, at what rates goods should be sold. On the supposition that this difficult policy were carried out in a spirit of complete honesty, — on the supposition that the officials of the law remained incorruptible, though placed in positions that offered the maximum inducement for corruption, — there would still remain for determination the question as to what principle they should follow in regulating prices. Customary prices have afforded a standard, where the purpose of the law has been to prevent an individual producer from being extortionate; and a price may be adjudged reasonable, if it is the one that prevails among competitors; but such a standard as this is, of course, not available in the case of monopoly. The only available guide for the legal regulation of prices would be the cost of goods; and it would be incumbent on the officers of the law to ascertain the cost in every instance and to guarantee to the producer a fair profit in addition to it. The first objection to such elaborate price regulation is the obvious technical impossibility of it, but from an economic point of view the fatal objection to it is that it would paralyze improvements. Why should a trust ever discard old machinery and spend its accumulations in getting better appliances, if it would still be allowed to make only the profit it is now making? Arguments on this point are, however, rendered unnecessary, not merely by the impossibility of carrying out such a policy, but by the impossibility of securing from the public any serious consideration of it.

Fourthly, we may put all monopolized industries into the hands of the state and thus, within a very extensive field, carry out the program of the socialists. To a casual observer, this looks easier than the other policy; and it will certainly find more and more advocates, as the powers of trusts increase. There is, moreover, no doubt that this measure would abolish certain evils that are inherent in private monopoly. Even if it did not succeed in giving the public cheap goods, it might save the people

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from the necessity of buying goods that were made dear by private producers' grasping policy. But this measure must stand or fall with the general cause of socialism; and, while so extensive a subject as that is not here to be discussed, it is safe to say that the judgment of the people is against it. It is perhaps safe to add that, if it were once tried, the result that would prevent a repetition of the trial would be the slow but sure reduction of the productive power of the individual worker. With every inclination to make wages rise, the state would be baffled in its efforts by increasing population and by the check on improvements of method and on the accumulation of capital. The sources of gain for labor would dwindle till the "iron law" would begin to assert itself, and a state that would gladly make workers rich would then be unable to keep them out of misery.

Is there no further recourse? There is one; and it has the advantage of being in harmony with the spirit of our people, with the principles of common law and also with the economic tendencies that have made our present state a tolerable one. It is to give to potential competition greater effectiveness — that is, to give a fair field and no favor to the man who is disposed to become an independent producer, leaving him wholly at the mercy of fair competition but shielding him from that which is unfair. Let the trust crush him, if he cannot produce goods as cheaply as it can; but let him bring the trust to terms, if he can produce them more cheaply. This puts the trust in a position where its security will depend, not on its power to destroy competitors unfairly, but on its power to meet them fairly.

III.

Many a trust would now find itself in a new and strange position, if it had no power to keep down rivals save by fair competition; and recent experience seems to show that, up to the present date, goods are often produced with greatest economy, not in shops that are owned by the trusts, but in those that are owned by alert and enterprising competitors. If such producers are liable to be crushed, in spite of the economy with which they

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work, the public will suffer an injury that is far more serious than any which the trusts have thus far brought upon it. If it shall be established that economy of production, or legitimate competing power, affords no protection to an independent producer, a blight is put upon the progress of inventions; for monopoly itself does not greatly encourage invention, and the would-be competitor of the monopoly, who would gladly introduce economical devices, finds that the effort to enter the field at all is perilous. The brilliant series of industrial improvements that have been steadily raising the level of human life and have opened an inspiring vista to those who look into the future may not thus be brought wholly to an end, but it may continue under difficulties and with comparatively small results.

The power of trusts to crush competitors is dependent upon three kinds of unfair dealing. The first is local discrimination in prices. The trust may sell goods for less than cost in a limited section of the country, where an independent producer is operating, and it may sustain itself by charging high prices in the large remaining area. Even though the competitor may greatly excel the trust in the economy with which he makes goods, he may be forced out of the business by this predatory policy. A producer, who found himself in this position, once called on the manager of the trust that was driving him to the wall, and was received with a brusque admonition that he had "better get out of the business." "But do you not see," said the independent producer, "that, in my territory, I can produce more cheaply than you can?" "Do you not see," was the reply, "that if we lose money in the twenty cities where you are operating, and make money in the two hundred other cities where we are operating, we come out ahead?" Such local discrimination is a strategic measure that is often irresistible.

Again, discriminations may be made, not between different localities, but between different grades of goods on the general price scale. The trust may make many varieties of one general kind of merchandise, while the competitor may make only one. In that case, even though he may operate in many sections of the country, the trust may pursue and destroy him. It may

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reduce the price of his type of goods below cost, while keeping all other prices at the original high level.

Thirdly, the trust may refuse to sell goods at all under certain conditions. It may boycott merchants who do not comply with its regulations; and one of its regulations may be that the merchants in turn shall boycott all independent producers. This is the basis of the "factors agreement," whereby a trust which, within the wide variety of its products, has a number of things that it is essential that a merchant shall handle, either refuses to sell him anything or refuses to give a necessary discount, if the merchant buys goods of any description from a competing establishment.

Can these three practices be suppressed by law? Off-hand answers to this question are often in the negative; and certainly there is no blinking the difficulty of this undertaking. If a law could be made and enforced, compelling the trusts to treat all customers alike, local discriminations would, of course, have to end; but the enforcement of such a requirement would encounter difficulties. The most obvious of these arises from the fact that merchandise is not, like refined gold, of uniform quality and readily cognizable. Hence, the trust might manufacture a certain grade of goods and offer it solely in one state, for the purpose of crushing out competition showing itself there. It would then be possible to claim that it was making no discrimination in its charges, since whatever was offered elsewhere was offered at the same price in this state also.

IV.

But, so long as the vital necessity for keeping home competition alive, in spite of consolidations, has not fully impressed the public, it may not be easy to secure a very serious hearing for a plan of action which, if it were successful, would accomplish this; and I forego the attempt to give, in the brief remainder of this paper, any adequate discussion of this subject. There are at least three types of unfair practice to be dealt with, and the difficulties to be overcome vary in the different cases. Something would be gained, however, if we could fully realize the

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effect of the suppression of the "factors agreement," so that a trust could not boycott dealers for buying goods not made by it, and of cut-throat attacks on local competitors. Imagine trusts, first, inured to a certain amount of publicity; and imagine that among the facts made accessible to examiners were the trade discounts given to different customers. Imagine the law requiring that the discount for an order of a given magnitude should be the same to all persons, and that the variations in the discount for orders of different magnitudes should be reasonable. A large order might, indeed, be filled somewhat more cheaply than a small one, but not so much more cheaply that the trust, through an agent taking very large orders, might sell goods in a particular locality below the cost of such goods to the merchants there. Imagine that orders for goods had to be filled for all cash customers and that the rule, "first come, first served," was enforced. Imagine that the character of all such orders and the dates at which they were given should be among the facts that must be obtainable by the public. Very unwelcome, indeed, to a trust would be such publicity as this; and far less easy will it be to get this than to obtain the facts concerning the actual cost of its plant and the basis of the value of its securities. As we are putting forward an imaginary case, we may suppose that the opposition of the trusts is overcome, and that laws are enforced, requiring a quasi-monopolistic corporation to serve all customers who may come to it, and to serve them in the order of their coming and on uniform terms. Is this in harmony with the spirit of the law?

Where competitors abound, no great injury is done to a purchaser, if one of them refuses to serve him; and it is in harmony with our idea of personal freedom that a man should, under such circumstances, be free to say whether he will accept a cash order from another man or not. Wholly changed is the situation when a monopolistic company has the field in its possession. Now a refusal to sell to a merchant may injure, or even ruin, him; and the ruining of this man may be only an incident in a policy that suppresses competition and gravely endangers the interests of the public. Is there any uncertainty as to the type of legis-

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lation that is here in harmony with the present spirit of law? The condemnation which is pronounced by common law upon monopoly extends to the measures that sustain the power of the monopoly. It is merely reasserting an established legal principle to forbid by statute the boycotting of a customer by a trust.

Is the requirement of uniform prices equally in harmony with common law principles? On the ground that this measure also is needed for the suppression of a monopoly, it would, in general, be so; but this is not the only ground on which the legitimacy of such a statute rests. A certain approach to such a requirement as this is already in force. Order goods from a merchant and make no formal contract as to the price of them. Can he fill the order and charge you what he pleases? If he charges more than is "reasonable," you can successfully dispute the claim. Moreover, in determining what is reasonable, a court can have no better guide than what is customary. It will enable the merchant to collect from you about what he and others are in the habit of collecting for goods of the general type that you have purchased. There is, then, already in force a certain type of price regulation; and it is based on a principle of uniformity.

What is here suggested is an extension of this principle. Putting all purchasers under the protection of what in diplomacy is the "most favored nation clause" — giving to every purchaser the benefit of the lowest prices anywhere offered — would insure a régime of prices that would be reasonable by the most scientific tests, and would yet deprive the trust of no legitimate gain.

If, to crush competition in one state, a trust had to put its prices below cost in all states, it would ruin itself as soon as it could ruin its competitor. The size of its capital would be no protection; for its losses would be in proportion to the magnitude of its capital and of its output. It could, however, have the benefit of whatever real economy a vast consolidation secures. The prices of its goods would never be carried below the cost that a well-equipped competitor incurs; and if the trust, in the end, were so well managed as to get a real economy from its great size, and were able to make and to sell goods more cheaply than

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even a well-equipped competitor could do, it might have as a permanent net profit the margin of saving thus effected. Often, as is said, when a trust has greatly raised prices, it is the independent competitor who initiates a war of rates, by making his own prices somewhat lower; and a trust then greatly values the privilege of crushing him in his own territory, without affecting its gains in other territory. Should it be allowed, in fairness, to do this? The answer is clear. It was a high and monopolistic price that induced the original cut; and the unfairness of exacting such a price from the public overshadows all issues between the trust and its competitor. Moreover, even in this latter relation, fairness precludes the local discrimination in price. The locally low rate may be made by the trust, not by reason of its economy in production, but by reason of its quasi-monopolistic position; and the independent producer, with a plant that is never so economical, may be crushed by it. This is the quintessence of unfairness in competition.

Let the trust have the fullest benefit from all real economies. If it excels its competitor, it can afford to undersell him, not only in his limited territory but everywhere. It can give to the public a benefit from the economy that great size insures and can still make an adequate profit. An exaggerated gain due to a monopolistic position is for the advantage of no party in the case but the trust itself. Make the independent competitor safe and let prices be gauged by the cost of the goods that are made in his well-equipped establishment. Let him make a fair living; and if the trust, by real economy, makes a better living, no one will complain. Under such a system progress in method will be insured. The race in mechanical invention that has given us a rising standard of wages will continue without a check. Goods will continue to become cheaper in terms of labor; or, what is the same thing, laboring humanity will become dearer in terms of goods. The gains from all the industrial functions will become larger; and the result will be attained by personal freedom, as guaranteed by laws that are old in their essential principle, however new they may be in their statutory forms.

JOHN BATES CLARK.

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MONEY AND PRICES.

I. *The Silver Issue.*

THE sudden projection of the demand for the free coinage of silver into the political campaign of 1896 was a great surprise, but it is not too much to say that this at once became and remained the controlling issue of that contest. The rest of the Chicago platform was certainly overshadowed, if not forgotten, in the discussion of 16 to 1. At the present time, however, it appears that these conditions are likely to be reversed; for the silver question is almost overshadowed by the discussion of "trusts" and "imperialism." It has apparently lost its relative importance, at least in the minds of the politicians. This is shown by the ease with which the Republican party has been led to record itself as unreservedly in favor of the gold standard. It is true that in the new currency law there still remains a mild expression in favor of international bimetallism, but no one seems to take it seriously. Mr. Bryan, too, is generally regarded as holding to the money issue merely because that is the one with which he is specifically identified. Others can speak against imperialism and in denunciation of trusts with equal authority; but he, more than any other man, is the representative of silver. Whether he succeeds in carrying the silver issue into the campaign or not, it is interesting to inquire what would be the position of that issue, if it should come before the people now, as it did in 1896.

The fundamental assumptions of bimetallism and of the demand for the free coinage of silver are: (1) that prices depend upon the quantity of money; (2) that government can manipulate the quantity of money so as to control prices; and (3) that thereby the economic relations between individuals can be made to conform more closely to the rule of justice. These assumptions are based on a pure "quantity" theory of money, tinctured

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with some notion that a governmental "fiat" is necessary and sufficient to make money accepted and acceptable. The practical application is that the demonetization of silver in 1873 was the one great cause of the fall in prices thereafter; that as the result of this fall prosperity has been lessened, if not destroyed, and the debtor class has been injured, to the great and continuous benefit of the creditor class; and that the resumption of the free coinage of silver would restore prosperity and remedy the injustice done to debtors. If these things are true, they are just as true in 1900 as they were four years ago; and, if true, they are certainly of more interest to the mass of the people than either imperialism or the question of trusts. Is this issue, so charged with good and evil, to be abandoned; and, if so, why?

Of course such abandonment (if it occurs) may be due merely to the calculation of political leaders that the chance of winning on this issue was shown to be hopeless four years ago. Or it may be held that, under the present conditions of business, it is useless to bring forward an issue which presupposes that the mass of people are suffering. When men are making money, they are not apt to inquire closely into the working of the machinery of production, but are usually content with current conditions. This is the common explanation of the apparent loss of interest in the movement for the free coinage of silver, both in Congress and in the former silver states. The change from silver to gold mining (as in Colorado), the bountiful harvests of the last few years, the rise in the prices of wheat and cotton — in short, prosperity has diverted the attention of the people from the monetary question. All these, however, are temporary causes, and the conditions may at any time be reversed. If these are the sole causes of the lack of interest in the silver question, a period of depression will make it needful to meet this issue again.

On the other hand, it may be asserted that the advocates of free silver in the campaign of 1896 failed to prove the great theses which they laid down. Or it may, at least, be said that they failed to make their position so convincing as to leave a lasting impression. If this has been the result of "the great debate," the fact is of permanent scientific interest. For, if all

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the concentrated attention which has been paid during the last twenty-five years to bimetallism has not resulted in the establishment of its fundamental dogmas, it would seem that as a theory it is destined to fade away. This negative result would also be of practical importance, because it implies the casting of "free silver," and ultimately of bimetallism, into the limbo of past economic heresies, together with "fiat money," "free banking" and "just prices." It is of interest, therefore, to summarize once more the essential points of the discussion, both for use in case the question does come up again and also as a contribution to the theory of money. How is it, then, that the silver-money men failed to establish their contentions that prices depend upon the quantity of money, that government can control prices by manipulating the supply of money, and that the government by so doing can and ought to remedy injustice between individuals and between classes?

II. *The Quantity of Money.*

The fundamental thesis of the bimetallists and of the free-silver advocates is that prices are determined by the quantity of money. Of course no one will deny that there is a relation between prices and money and that changes in the quantity of money may be reflected in the price level. But to define precisely what this relation is and to measure it quantitatively, is a matter of considerable difficulty. In the first place, it is not easy to define what we mean by the term money. In the monetary system of the United States we have standard gold coins, silver dollars, fractional silver currency, minor coins, governmental paper money, national-bank notes and various forms of certificates — gold, silver and currency. These together (omitting the certificates) form the monetary supply for the purpose of carrying on the trade of the United States. They are, however, of various degrees of importance and perform various functions. The gold money is unlimited legal tender and can be used, not only as a medium of exchange, but also as a reserve and for purposes of export, because it is of full face

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value and acceptable all over the world. It is peculiarly convenient as a bank reserve, as a means of hoarding and as a redemption fund for the purpose of keeping other forms of money up to the standard. The silver dollar is likewise unlimited legal tender, and can thus be used as a medium of exchange; but it is unfitted for export, because it is overvalued, and is unfitted for bank reserves, because of its bulk. The fractional silver and minor coins are fitted for retail trade only. The paper money, bank notes and certificates of deposit are useful for media of exchange, especially if they are kept redeemable in standard money. Now, how many of these, and which of them, are to be regarded as money, when we say that the quantity of money determines prices?

There are two ways of defining money so as to arrive at a quantitative measurement of the amount which in the long run affects prices.

First, when we speak of the quantity of money, we may mean that form of purchasing power represented by the medium of exchange which is actually used to carry on trade. A certain number of transactions must be cash transactions. There must be a certain amount of generally acceptable "currency" in the tills and in the pockets of the community. If we do not have such a medium, we are reduced to the inconvenience of barter. Moreover, the greater the number and the size of transactions, — that is, the volume of business, — the greater the quantity of such a medium necessary to maintain the customary price level. If the supply does not increase with the volume of business, the price level must fall.

It is not certain, however, that we really attain definiteness by this apparently definite conception. Such a circulating medium might be composed of standard money, of subsidiary and token coin, and of bank notes and government notes. But the proportion of business transactions which would depend upon these instruments for liquidation would be conditioned by the habits of the community and the character of its business. Where there was a good banking system, checks might be substituted for bank notes. Where ready money was not in circu-

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lation, liens might be taken on growing crops and credit given for current purchases. On the other hand, the concentration of retail business in department stores, selling only for cash, might render necessary an increased quantity of this "medium," which could be readily supplied by token coins or notes. There are, in short, various devices whereby the community, if there should be a "scarcity" of such money, could help itself without lowering the price level. It seems, thus, that the conception of money as a medium of exchange in actual use does not point to a quantitative relation between money and prices.

A second conception of money is that which includes only primary, or standard, money. All bank notes and paper money are ultimately redeemable in specie, as all credits extended by banks are based upon the reserve which they maintain. The greater the volume of paper money and of purchasing power exercised in the form of credit, the greater must be the specie reserve to maintain solvability by a guaranty of ready redemption. According to this analysis, the amount of primary specie money in actual circulation, together with that used as a reserve by governments, banks and individuals, constitutes the "quantity" of money. If this amount becomes small, as compared with the volume of business, the price level will fall; if it becomes large, the price level will rise.

What we gain in "intension" by this definition, however, we lose in "extension." The quantity of paper money, bank notes and credit instruments, or purchasing power, which a given mass of primary money can sustain depends so much upon variations in habits of business, in banking systems, in methods of concentrating reserves and in the confidence of the community in the monetary system, that the relation between the quantity of primary money and the volume of currency is entirely indefinite. It is evident, also, that the influence of the quantity of primary money, in this sense, depends largely upon where the money is. If it is in circulation, its influence is of one kind; if it is in the vaults of the government or of banks, its influence is of another sort; if it is hoarded in the pockets or strong boxes of individuals, its influence is of still another character. While, therefore,

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by this definition we get a precise notion of "money," the term, so limited, ceases to have definite relations to that exercise of purchasing power which affects prices, and thus the interests of individuals. Until the silver-money men can present us with a definition of money which, on the one side, will afford us the chance to measure it quantitatively and, on the other, will have a dominating influence on purchasing power, their main thesis will remain difficult to prove.[1]

III. *From Quantity to Price Level.*

Even if we agree upon what shall be included under the term money, the silver-money men have difficulty in explaining how and to what extent a change in the quantity of money affects prices. They say that an increase in the quantity of money will raise prices and that a decrease in the quantity will lower prices. But under what circumstances, and to what extent, will this be true? This question is of the utmost importance; for how can we adopt a monetary policy looking towards the regulation of prices and the adjustment of economic relations between individuals in accordance with the rule of justice, unless we can determine definitely this relation between money and prices?

We certainly do use expressions which imply that a change in the quantity of money causes a change in the price level. We speak of a "period of inflation," thus correlating high prices and an abundance of money: for example, "an inflated currency," an "inflated bank-note circulation," "inflated credit," *etc.* We speak of a period of "contraction" or low prices, implying a fall in the amount of money or, at least, of purchasing power. When we think of an irredeemable paper currency that has been issued to excess, we expect high prices, which we ascribe to the excessive issues. On the other hand, when a depreciated paper cur-

[1] There are endless discussions concerning the definition of money. A useful review of them is given by A. P. Andrew, "What ought to be called Money?" *Quarterly Journal of Economics*, XIII, 219. *Cf.* the references there and in the article on "Money," by Francis A. Walker, in Palgrave's *Dictionary of Political Economy*. *Cf.* also the instructive testimony of Professor Marshall before the Gold and Silver Commission.

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rency is reduced in quantity and brought back to par, we fear a lowering of the price level. Thus, when Congress began to "contract" the currency after the Civil War by calling in the greenbacks, the process was stopped from fear of lowering prices. Even in the case of specie money, we are said to have historical examples of a rise in prices due directly to a greatly increased supply of money. For example, after the precious metals were discovered in America and began to flow freely into Europe, there was a general rise of prices. After the gold discoveries of 1848–51 a rise of prices was anticipated, because of the increased quantity of gold. Cairnes described the process, and Jevons even went into an elaborate calculation of the extent of the rise.

The process by which a change in price level is brought about depends, however, upon the monetary system of the country. If we can conceive of a pure cash-payment system, where all transactions require the use of specie money, an increase in the quantity of the precious metals would simply add to the supply of the money material, thus decreasing its value and causing prices to rise — that is, causing more metal to be offered for a given quantity of commodities. But, even in such a system, various things would have to be taken into account. These have generally been considered by the economists under the formula of "the demand and supply of money." The demand is said to depend on the volume of business — that is, the number and the size of the business transactions taking place during a given time. There would naturally be two factors involved here, namely, the amount of commodities to be exchanged and the number of times each was exchanged. But the volume of business varies from country to country and from time to time. When men consume what they produce, comparatively little money is needed. Where they produce goods in exchange for other goods, they need more money. Where industry is highly developed and there is great division of labor, they need still more. This demand for money — described by Walker as a reality — is very difficult to measure.[1]

[1] "We see, thus, that the demand for money has no relation to the total wealth, or the annual product of a community, or even to the volume of products to be

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On the side of supply, we should have in such a cash system two elements. The first is the amount of metal devoted to monetary use, rather than to use in the arts and to hoarding. This will vary according to the tastes and the habits of the people. But we have here a regulative influence, constant and powerful. For when there is a scarcity of money, lowering prices, specie can be withdrawn from use in the arts; and when there is an abundance of the precious metals, an outlet for the surplus can be found in the arts. The second thing affecting the supply of money is what the economists call the "rapidity of circulation." Business transactions need not be simultaneous, but may be successive. The same piece of specie can then complete two or a dozen or a hundred transactions during the year. Where business is active and exchanges are concentrated in a market, a small amount of money will suffice for a large number of transactions. Where trade is sluggish and exchange takes place only at stated intervals, money remaining long in the pockets of individuals, a large sum will be necessary.

In a strictly specie-money, cash-payment system, therefore, it does not seem possible to specify the amount of money *necessary* for a community or to measure the exact effect on prices of an increase or a decrease of specie. Statistical measurements of the *per capita* amount of specie in circulation in different countries, of the annual increase or decrease in the supply, and of the amount of bullion used in the arts, are very rough methods of estimating the money supply; while predictions and assertions as to the effect upon prices of a given increase or decrease of the supply of the precious metals would seem to be extremely risky, in view of the many variable forces at work.

Let us now turn from this artificially simplified monetary system of specie payments to the highly complicated exchange system of a modern community, which uses subsidiary coin and

exchanged. The demand for money varies with the amount of money work to be done, which, in turn, varies with the industrial organization of communities, with seasons, and with circumstances innumerable." (Walker, Political Economy, p. 130.) Walker is here thinking of a modern community using credit, but the same remarks would hold true of a specie-money, cash-payment system, and *a fortiori* of the modern system.

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paper money, and exercises purchasing power through credit. How will an increase or a decrease in the amount of primary money affect prices here? It is evident that we now have a still larger number of variable factors. The demand for money as a circulating medium depends upon the proportion of transactions which are liquidated by the use respectively of money and of credit. On the other hand, the supply of such money depends upon the extent to which subsidiary coin, paper money and bank notes can be based upon a given amount of primary money. Under these circumstances, an increase in the supply of the precious metal (say gold) used as primary money is supposed to affect prices in the following way: Assume that a new supply of gold came into England and was deposited in the banks. Thereupon the banks, finding their cash reserves increased, would discount more freely; business men would extend their enterprises; a greater demand would be felt for commodities and labor; prices would go up and the gold would be indirectly absorbed in the circulating medium, in order to maintain this higher level of prices. If the supply of gold continued, this higher level of prices would become permanent. On the other hand, if gold were withdrawn from the banks, they would raise the rate of discount, business men would curtail their operations, demand would fall off and prices would go down. The supply of the circulating medium would be contracted to correspond to this lower price level; and, if the supply of specie relative to the volume of business remained deficient, the lower level of prices would become permanent.[1] What can now be said of the supply of primary money necessary to maintain a given price level, or of the effect of an increase or a decrease of its quantity on prices? If the problem was insoluble before, under a system of specie-money, cash payments, how much more difficult is it, with all these (and other) methods for avoiding the use of specie![2]

[1] See Marshall's evidence before the Gold and Silver Commission, Ques. 9641 ff.

[2] "For without any change in the amount of the currency the average level of prices might be altered, not only by a change in the proportion of credit to other means of purchasing, but also by any other change in the methods of business, as, for instance, the growth of intermediaries." — Marshall, *op. cit.*, Ques. 9629.

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It is owing to the presence of these manifold methods of making exchanges that the silver-money men have failed to convince the community that the fall in prices since 1873 has been due to a real scarcity of money. On this point the statistics of the *per capita* circulation of all kinds of money are not of much avail, because they do not take account of the volume of transactions, the rapidity of circulation and the multiplicity of credit transactions. Such as they are, however, the figures seem to show no falling off in the supply of primary money or of the circulating medium. Even the statistics of the decrease in the annual production of gold down to 1890, when we consider what a small percentage of the total supply of gold in the world is represented by a twenty-five per cent decrease in the annual supply, seem to furnish an inadequate explanation of the fall in prices. Similarly, the increased supply of gold since 1890 has not been reflected in a raised price level.[1]

To speak frankly, even if we are convinced that there is a fundamental truth in the so-called quantity theory of money, it is not easy to find cases where we can assert positively that an increase or a decrease of money has caused a rise or a fall in prices — still less, a *corresponding* change. In the case of an irredeemable paper money we can, indeed, measure the increase of the issue and trace the effect upon paper-money prices.[2] In the case of great crises in the production of the precious metals, largely increasing the supply, we can be reasonably certain, perhaps, that the changed supply has had some effect on prices. But this effect is to be ascribed to the change in the quantity of

[1] "Dr. Soetbeer's estimate of the production of gold since the end of the fifteenth century is £1,553,415,000; and an annual supply of £20,000,000 would consequently be about 1¼ per cent on that stock, while the actual diminution in the supply which has taken place during the last fifteen years would amount to only ¼ per cent per annum" (Gold and Silver Commission Final Report, Part I, p. 13). The present annual production of gold is more than £50,000,000, and for ten years the average increase over the £20,000,000 above mentioned has been £16,000,000 per annum.

[2] Even this has been denied. See Miss Hardy, *Journal of Political Economy*, III, 145, 1895. General Walker's criticisms of Miss Hardy's tables were, in my opinion, just, but they did not invalidate her main conclusion. — *Quarterly Journal of Economics*, IX, 374 (1894–95).

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money only under the condition that other things — the volume of business, the habits of the people, the facilities for credit transactions — have remained the same or have been duly allowed for.

IV. *From Price Level to Money.*

In the complicated mechanism of price-making, it is difficult to predict how and to what extent a change in the quantity of primary money should affect prices. But if we cannot directly demonstrate the theory that variation in the quantity of money causes changes in the price level, we can perhaps reverse our method of investigation, by first proving a change in price level and then offering a variation in the quantity of primary money as the only adequate or, at least, the most probable explanation of such a change. It is not meant, of course, that for every change in prices we are to seek a change in the quantity of primary money. Many influences affect market prices, such as fluctuations in the demand for and supply of commodities, extension of credit, speculative purchases or sales according to prospects for the future, changes in taste or fashion, changes in methods of production, substitution of other commodities, *etc.* But if we establish a general and persistent fall or rise in prices, it is the business of the economist to discover, if possible, a general and persistent cause sufficient to explain such change.

In order to preserve the practical bearing of our discussion and avoid the reiteration of the alternative phrases "rise or fall of prices" and "increase or decrease of the quantity of money," let us take the trend of prices since 1873. Let us concede that the method of index numbers shows a general fall in the price level, without going into the question whether or not the amount of the fall is precisely what the number indicates. Finally, let us designate by "scarcity of money" an insufficiency in the supply of the precious metal used as primary money to perform the work required by the volume of business.

The objective phenomenon, therefore, is a shifting of the price level downwards. Where a barrel of flour or a pair of shoes for-

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merly cost six dollars, they each cost now (say) four dollars — that is, a third less. Two explanations are possible. Either money has become "scarce," so that four dollars will buy what formerly cost six, or both flour and shoes require less effort to produce, as compared with primary money, so that larger quantities are given for the same amount of money. The "scarcity of gold" is at first the easiest and the most plausible explanation of a general fall in prices, because it seems simple and adequate. It is, indeed, so easy that it invites to indolence of thought. But one cannot escape the fact that enormous improvements have been made in the production and the transportation of almost all commodities, and that these ought to have had the effect of lowering their prices. When one is troubled, therefore, to formulate in a satisfactory and precise way the quantity theory of money, one is tempted to take refuge in "improvements in production" as an explanation of the fall in prices. To establish the truth of this explanation is, however, very laborious; for it requires an almost painful minuteness of investigation and also a certain amount of technical trade knowledge which few economists possess; but the results have a concreteness not to be found in the assertions of the first theory.[1] There is also an easy compromise explanation, which asserts that both causes have been at work, without specifying the relative strength of the two. This solution we shall avoid, contenting ourselves with an inquiry as to which of the two is the more probable cause or, at least, which is the more important.

While it may not be possible to settle this question with entire certainty, the following points are symptomatic:

(1) If the fall in price level is due to a scarcity of money, one may expect a general uniformity in the movement. The fall need not be perfectly uniform, because special causes may affect particular commodities — sometimes accelerating the fall due to the scarcity of gold, sometimes retarding or even counteracting it altogether. On the other hand, if the fall in prices is due to improvements in production, it is important to note that

[1] The most noteworthy example of this method is Mr. Wells's Recent Economic Changes.

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these improvements naturally fall into two classes — those affecting all commodities, such as improvements in transportation, and those affecting particular commodities, such as particular inventions or discoveries. Under such conditions we should expect the fall in prices to be general, but not uniform. The problem is, therefore, to decide whether the fall in prices since 1873 has or has not the characteristic of uniformity.

An examination of any of the tables of index numbers shows wide divergences in the ratio of fall. For instance, in the Sauerbeck number for 1897 (compared with the average of 1867–77) sugar had fallen 61 per cent and coffee only 14 per cent; beef had fallen 28 per cent and prime mutton only 13 per cent; wheat had fallen 45 per cent and maize 55 per cent; cotton had fallen 57 per cent and silk 55 per cent; wool, 41 per cent and hides only 25 per cent. It must be remembered also that retail prices have not fallen as much as wholesale prices; while, if the cause of the fall has been scarcity of money as a circulating medium, it seems as if they should be at least equally affected. We are justified in saying, then, not that the fall of prices cannot be explained on the theory of a scarcity of money, but only that the facts do not support that theory any more than they do the other. It is at least a great weakness on the side of the silver-money men that they cannot point to the scarcity of money as indisputably the most probable cause of the fall in prices.

(2) According as the fall in prices is due to one or the other of the two causes mentioned, we expect certain subsidiary phenomena to manifest themselves. If the fall is due to a scarcity of money, these should be: a decrease in the annual production of the precious metals, of sufficient magnitude to influence the value of the whole mass; great difficulty in getting gold for bank reserves; a rise in the rate of discount, in order to retain gold; an indisposition to lend money. If gold money is scarce, there may also be expected economies in its use, the diversion of the metal from use in the arts and increased activity in the production of it. But not one of these phenomena has been particularly prominent during the last twenty-five years.

On the other hand, if the fall in prices is due to improvements

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in production, one expects an increased supply of commodities, for in general a decrease in cost causes an increase in consumption. It is sometimes erroneously held that the increased supply should be in proportion to the fall in price. But this is contrary to experience; for, owing to differences in the elasticity of demand, a given fall in price affects in varying degrees the consumption of different commodities. Thus, if the price of wheat fell one-half, there might be no very great increase in demand, because the demand for bread is satiable; while, if the price of steel fell one-half, it might be devoted to many new uses. If, by a detailed study of the conditions of the production of specific commodities, the fall in price can be thus satisfactorily accounted for in each case, this is strong evidence that the fall has been due to improvements in production, rather than to scarcity of money.

(3) But the most important symptom of the fall of prices is the behavior of the price of labor (wages), as compared with the prices of commodities. If the fall in prices is due to a scarcity of money, it would seem as if wages should have fallen also. If, on the other hand, the fall in prices is due to improvements in production, resulting from an increased efficiency of labor, the money rate of wages might have remained the same. But the statistics seem to show that wages have been maintained since 1873 in a remarkable way.[1] This is sometimes denied, or the assertion is made that irregularity and lack of employment have more than counterbalanced the increased purchasing power of the wages of that portion of the laboring class which has maintained its position. But it is difficult to understand how a portion of the laboring class has been able to maintain its normal rate of wages, in the face of the competition of hordes of the unemployed.

To sum up this portion of the argument: Reasoning from the objective phenomenon, a fall in prices, it is always difficult to assign with precision the cause or causes of such fall. But as so many and such plausible reasons can be given for the explanation that recent changes have resulted from improved

[1] POLITICAL SCIENCE QUARTERLY, XV, 33 (March, 1900).

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methods of production, it is difficult to believe in the scarcity of money as the sole, or even the dominant, cause. In other words, the silver-money men have not only failed to explain clearly how changes in the quantity of money affect prices, but they have also failed to prove that the most probable explanation of the recent fall in prices *is* scarcity of money.

V. *Manipulating the Price Level.*

Professor Marshall, in a note on the purchasing power of money in his *Principles of Economics*, remarks:

> We shall find that fluctuations in prices are caused only to a very slight extent by fluctuations in the supply of the precious metals; and that they would not be much diminished by the adoption of gold and silver instead of gold as the basis of our currency. But the evils which they cause are so great, that it is worth while to do much in order to diminish them a little.[1]

Accepting this dictum and granting that changes in the price level may be caused by changes in the supply of the precious metals, what are the remedies proposed? I shall consider briefly the relative expediency of three — namely, (1) bimetallism, (2) fiat money, (3) a tabular standard.

(1) Bimetallism, it is claimed, would steady prices, by furnishing a broader basis for the monetary system. Instead of the mass of gold *or* the mass of silver, to be affected by changes in the annual production of either metal, we should have the combined mass of the two. In such a system, if the supply of the two metals should increase or decrease together, the effect on the combined mass of the two would be the same as the increase or decrease of either metal on the mass of that metal. But if the changes in the supply of the two metals were in opposite directions, a compensatory action would set in; for the cheaper metal would be used to satisfy the monetary demand, and the dearer metal would be more or less demonetized, the strain upon it being thereby relieved. In such a case, the compensatory action would probably be effective in keeping the ratio

[1] Bk. vi, ch. vi, note at the end of the chapter.

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between the two metals constant. Theoretically, then, it may be conceded that, so far as prices depend upon the quantities of the precious metals, fluctuations ought to be somewhat less under a bimetallic than under a monometallic system. But if gold and silver should increase or decrease together, the effect on prices would be the same as in the case of a single standard. Practically, thus, the gain from bimetallism would not be altogether certain.

The silver-money men were defeated in 1896 by the belief that the free coinage of silver at 16 to 1 would result, not in bimetallism, but rather in the adoption of the single silver standard, accompanied by a tremendous dislocation of business. It was believed that, where the bimetallic area was so limited in extent and the market ratio differed so widely from the legal ratio, the compensatory action would not hold the two metals together. In fact, the adoption of bimetallism by a single nation involves great risk and promises little advantage. International bimetallism, on the other hand, is rendered impracticable by the suspicions and jealousies of nations. At any rate, the risk in trusting all our industrial interests to international agreement seems too great for the expected gain from somewhat greater stability in prices.

(2) Other expedients for controlling prices in the interest of stability may be dismissed with a word. The crudest of these is "fiat money" — that is, notes issued by the government as the sole medium of exchange and regulated in quantity so as to keep prices stable. The world, however, has not yet confidence enough in the wisdom and honesty of governments to stake its industrial fortunes on such an expedient. Governmental paper money has almost always been issued to excess and, instead of steadying prices, has made them fluctuate more violently.

(3) The most scientific expedient is a tabular standard. It is expected to provide for the return to the creditor of command over the same complex of commodities as the debtor received from him. Thus, if $100 when loaned will buy one bushel of wheat, one ton of iron, one barrel of vinegar, *etc.*, while $90 will buy the same mass of commodities when the loan is due,

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the debt will be payable with $90. Such an expedient would, however, be of service only in contracts covering some time; and it would be complicated and uncertain, owing to the difficulty of fixing prices fairly. It would also make the industrial welfare of the individual depend upon fluctuations in the price of commodities in which possibly he had no interest. Suppose, for instance, that a man borrowed $100 for the purpose of producing wheat and that during the year wheat remained fixed in price, though other articles changed so that the index number rose. The borrower would then be compelled to pay more wheat than he had received.

This brings up the question, whether justice between creditor and debtor demands the return of the same amount of commodities or the same amount of producing power. Assume, for example, that a fall in price has been brought about by improvements in production, due to greater efficiency of labor. The debtor will then return to the creditor a greater sum of commodities, but these commodities will cost him only the same amount of labor. The creditor will receive a greater sum of commodities, but they will give him command over only the same amount of producing power as before. Under such conditions, a change in price level is not necessarily an injustice.

VI. *Mutual Adjustments.*

It remains to be noticed that the very complications which render it difficult, if not impossible, to trace the effect of a change in the quantity of specie on the level of prices, act as so many modifying influences on violent or injurious changes. In a given monetary system a certain amount of specie is used to carry on exchanges and to form a basis for credit transactions. Other things remaining the same, this amount of specie money may even be said to be necessary at the current price level. If, however, the price level should go down on account of the scarcity of specie, the purchasing power of money would increase, it would become more profitable to work mines than to produce commodities directly, gold would be drawn from the arts into mone-

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tary use, efforts would be made to economize in the use of specie as a medium of exchange, and the lower price level itself would demand a smaller amount of money as a circulating medium. The so-called scarcity of money would thus remedy itself. If the price level should rise on account of the abundance of specie, the production of the precious metals would be discouraged, specie would be drawn off for use in the arts, bank reserves would be increased, there would be less necessity for using paper money, and the very rise of prices would absorb more of the circulating medium. A change in the price level in either direction that results from a change in the supply of specie would thus seem to bring forth counteracting forces which tend to neutralize it. When we consider the inventive power of the modern community in providing forms by which purchasing power can be exercised without the use of specie, and when we consider the enormous reservoir of specie used in the arts and as reserves, there would seem to be a considerable power of adjusting the quantity of specie money to changes in business. We are, perhaps, unnecessarily frightened at the cry of a "scarcity of gold."

If, on the other hand, improved methods of production increased the supply of commodities, prices would fall. More commodities would be given for the same amount of money. If the improvement occurred in a single commodity, the price of that single commodity would fall, and the particular producer would be obliged to share the benefit of the improvement with the consumer. If the improvements were general, all producers would give more of their commodities for the same amount of purchasing power and all prices would fall. This is simply saying that all consumers would benefit from the general improvement. Each would get less money for his own commodity, but each would be able to buy more commodities with the money he got. As each produced more commodities, his total income might remain the same or even increase. In other words, *per capita* production (and hence consumption) would increase. The community would thus be better off, even with declining prices. The fall in prices would also be mitigated by the process described in the preceding paragraph — namely, the increase of the supply

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of specie devoted to monetary use, owing to the increased purchasing power of money.

Such a process cannot, it is true, go on and leave individuals in exactly the same condition as before. The transition will bring hardship to some and perhaps unexpected (possibly undeserved) gains to others. Much will depend upon how fast incomes change and how far men have deferred claims payable in terms of money. But if there is any power in competition to adjust reward to effort, such adjustment will inevitably take place; and the mechanism of prices, even though working imperfectly, will be a powerful aid thereto. The change in price level is necessary in order to distribute the benefits of improvements in production. We perhaps exaggerate the hardships, forgetting the compensatory adjustments by which what a man loses as producer he gains as consumer.

From the practical point of view, it is not clear, moreover, that efforts to manipulate prices by increasing or decreasing the money supply will make adjustments more perfect. Such efforts rest necessarily upon the primitive theory that the quantity of the circulating medium is the main factor in price-making. This, however, is a pure assumption; and, until we can establish more precisely the relation between quantity of money and prices, such efforts will do more harm than good. It is impossible to say how much more or how much less money should be put into circulation, in order to maintain the present level of prices. Nor is it altogether clear that perfect stability of prices would work justice, when there have been improvements in the methods of production. In fact, efforts to regulate prices by changing the money supply do harm, because they threaten the stability of the standard itself.

The "quantity theory of money," therefore, can hardly be considered an adequate title for a scientific explanation of the whole process of price-making. So long as we continue to use one or two metals as constituting our monetary unit, they will necessarily be referred to as ultimate standards. So long as these metals are used in the mechanism of exchange, either as part of the circulating medium or as a reserve fund for liqui-

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dating credit instruments, they will be in demand. This monetary demand will constitute part of the whole demand for them, which, in connection with the supply, will determine their value. But this monetary demand is not fixed. It can be satisfied in other ways, and in so many ways that the mere quantity of specie can scarcely have a determining influence on the price level. Price level, it appears, is determined by the exercise of purchasing power. When a man throws commodities on the market, he acquires purchasing power. This may take the form of specie money, of bank notes, of credit instruments, of bank deposits or even of book credit. Its expansion is not closely dependent on the quantity of specie, nor is its contraction. Doubtless the mechanism of exchange facilitates or hinders the exercise of this purchasing power. The apprehension of a tight money market — owing, say, to a locking up of a part of the specie and paper money in the Treasury or to an unusual demand for money to move the crops — often has the effect of depressing speculative prices; and the reverse phenomenon, the effect of "booming" prices. Is this a proof of the quantity theory of money? Not at all. It is proof of the effect of "confidence" on prices. When men find it easy to exercise purchasing power, demand will be great and prices will be high. When they find it difficult to exercise purchasing power, demand will slacken and prices will fall. But in the long run prices will depend upon the desirability or undesirability of having the commodities.

What, then, becomes of the economist who denies the quantity theory of money? Is he not already condemned? Listen to Mill:

> That an increase of the quantity of money raises prices and a diminution lowers them, is the most elementary proposition in the theory of the currency, and without it we would have no key to any of the others.[1]

We might as well lay down the proposition that man cannot live without meat. If by meat we mean food, the proposition is

[1] Mill, Principles, bk. iii, ch. viii, par. 4. Of course Mill was aware of the limitations and explanations necessary, but the above sentence is often quoted as it stands.

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true; and so, if by money we mean all exercise of purchasing power, the proposition is true. But if by meat we mean a particular kind of food, and by money a particular kind of purchasing power, both propositions are open to doubt.

Money is a human invention intended to facilitate exchange. By a process of natural selection civilized nations have acquired the habit of using gold as primary money. It is, doubtless, highly expedient that we should have a supply of gold sufficient to make the machinery of exchange work easily. But have we no substitute for it? Are we bound down to gold, so that the dead instrument has become the vital principle of the whole economic life of man?

RICHMOND MAYO-SMITH.

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THE ORIGIN, PURPOSE AND EFFECT OF THE DIRECT-TAX CLAUSE OF THE FEDERAL CONSTITUTION. I.

WHEN the Supreme Court of the United States decided that the income-tax law of 1894 was unconstitutional, interest was necessarily revived in that clause of the federal Constitution which requires that direct taxes shall be apportioned among the states "according to their respective numbers." Previous judicial interpretation had for nearly a century limited the application of this provision so narrowly that it had been rendered incapable of causing serious public injury or of arousing general public interest. But our highest tribunal has now decided that hundreds of millions of dollars have been collected in the past by taxes that were unconstitutional and that, for the future, Congress cannot reach property or income except by taxes apportioned according to the rule of numbers. These circumstances seem to justify an inquiry into the genesis and original purpose of the constitutional rule concerning direct taxation.

Such an investigation will be found to raise questions that cannot be answered satisfactorily without a careful study of all the clauses of the Constitution that relate to the powers of Congress in matters of taxation. It will become necessary to consider the experience of the United States, even during the period of the Confederation, before all the facts relating to the direct-tax clause can be seen in their true light. These considerations have determined the form and scope of this article.

I.

For twelve years prior to the assembling of the constitutional convention, Congress had been attempting to wage war and provide for the ordinary expenses of a league of states without pos-

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sessing the power to levy or collect taxes. Public expenses had been apportioned among the members of the Confederation, and each had been expected to provide for the payment of its quota of the common charges. The failure of the states to comply with the requisitions made by Congress reduced the United States to bankruptcy and demonstrated the need of a central government that should possess the power of taxation.

Meanwhile Congress experienced the greatest difficulties in securing a satisfactory apportionment of the quotas. This question had arisen when paper money was issued in 1775. Congress allotted to each state a certain quota of the bills of credit and requested that the currency should be redeemed by suitable taxes. These amounts were determined by a provisional assessment, based upon the number of inhabitants of all ages, including negroes and mulattoes.[1] When the system of requisitions was adopted as the method of raising the revenues of the Confederation, the question of apportionment occasioned much debate. The first draft of the eleventh article of the plan of union provided that the public treasury should "be supplied by the several colonies in proportion to the number of inhabitants of every age, sex, and quality, except Indians not paying taxes, in each colony. . . ." The Southern states immediately objected to having the slaves counted equally with the whites. Chase proposed that the requisitions should be apportioned according to the number of white inhabitants. John Adams insisted that all the slaves should be included. Harrison suggested "that two slaves should be counted as one freeman." It is probable that the Southern states would have preferred to have the quotas proportioned to numbers, if Harrison's plan could have been adopted. But the Northern states would not accede to this arrangement and defeated Harrison's amendment by a strictly sectional vote. Later it was proposed to proportion the requisitions to the ascertained value of all property within each state, but this motion failed to pass. Finally, in October, 1777, Congress accepted a suggestion that Witherspoon had made during the debates of the previous year

[1] Journals of Congress, July 29, 1775.

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and resolved that the quota of each state should be fixed according to the ascertained value of the land, with the buildings and improvements thereon. This was the plan finally incorporated into the Articles of Confederation; and in 1778 Congress rejected all amendments which some of the states desired to make to this provision.[1]

Such an apportionment of the requisitions proved to be utterly impracticable. Few, if any, of the states took steps to secure a valuation of their lands; and Congress seems to have given the matter little attention until, early in 1783, it requested the states to make the necessary assessments.[2] But this action was soon followed by a proposal to change the method of apportioning the requisitions. The committee on revenue reported an amendment to the Articles of Confederation, providing that the requisitions should thenceforth be divided among the states "in proportion to the number of inhabitants, of every age, sex, and condition, except Indians not paying taxes. . . ."[3] Then followed the inevitable discussion concerning the propriety of including all the slaves in the enumeration. It was suggested that only one-half of the blacks should be counted, then one-fourth and later three-fourths; finally, Madison proposed three-fifths, and Congress at length adopted this proposition, "influenced by the conviction of the necessity of the change, and despair on both sides of a more favorable rate of the slaves."[4]

It proved impossible, however, to induce all the states to accept the amendments which Congress submitted for approval in April, 1783. In 1786 a second attempt was made to secure the acceptance of the amended plan of revenue, but without success; and hence the original plan of assessing quotas was retained until the end of the old Confederation.[5]

[1] Elliot, Debates on the Federal Constitution (Philadelphia, 1836), I, 70, 72–74, 85–92; V, 79; Works of John Adams (Boston, 1856), I, 496; Journals of Congress, October 13 and 14, 1777; Poore, Federal and State Constitutions of the United States (Washington, 1877), I, 9.

[2] Elliot, V, 5, 21, 24, 25, 43, 45–47; Journals of Congress, February 17, 1783.

[3] Journals of Congress, March 20, 1783.

[4] Elliot, V, 79, 81; Journals of Congress, April 1 and 18, 1783.

[5] In his decision in the income-tax cases, Mr. Justice Fuller falls into a singular error of fact at this point. He bases an argument upon the assumption that

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II.

In the proceedings of the constitutional convention it will be convenient to study first of all the grant of the general power of taxation, which it was decided to confer upon the new government. We may then consider the direct-tax clause and all the other provisions by which Congress was to be restrained in its exercise of the general power. In this manner the purpose of the framers of the Constitution may be set forth in the clearest light possible.

The first proposals concerning the general taxing power of the new government are found in the second and sixth resolutions introduced by Randolph as early as May 29.[1] Of these, the first provided that "the rights of suffrage in the National Legislature ought to be proportioned to the quotas of contribution, or to the number of free inhabitants, as the one or the other rule may seem best in different cases." This suggestion does not imply necessarily that Randolph contemplated the continuance of the requisition system as a means for supplying the public treasury. It is compatible with any plan of federal taxation in which the quota of each state could be ascertained in advance — that is, with any system of apportioned taxes such as prevailed in all the states north of Maryland and Delaware.[2] But the proposition would have prevented the use of import and excise duties. Accordingly, when it first came before the convention, King and Madison objected to it, because "the revenue might hereafter be so collected by the

the amended plan of apportionment was adopted, whereas it failed of adoption by the votes of one or two states. (158 U. S. Reports, 620, 621.) All the men who discussed the subject in 1787 and 1788 state that the amendment was approved by only eleven or twelve states. See Elliot, I, 485; Peirce and Hale, Debates in the Convention of Massachusetts (Boston, 1856), 299; Ford, Essays on the Constitution (Brooklyn, 1892), 84, 102, 239; Boutell, Life of Roger Sherman (Chicago, 1896), 174.

[1] Elliot, I, 143–145, V, 127; the Papers of James Madison (Gilpin's ed., Mobile, 1842), 731, 732. The plan of government proposed by Charles Pinckney is entirely overlooked in this paper, because we have no knowledge as to what its original provisions were.

[2] See Wolcott's report on taxation in the various states in 1796, in American State Papers, Finance, I, 418–436.

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general government that the sums respectively drawn from the states would not appear, and would besides be continually varying." [1] The sixth of Randolph's resolutions gave to the national legislature "the legislative rights vested in Congress by the Confederation," with the additional power to legislate "in all cases to which the separate states are incompetent," and "to call forth the force of the Union against any member of the Union failing to fulfill its duty unto the Articles thereof." This plan was evidently intended to give to the federal government adequate powers of taxation, the necessity for which was evident to all who desired to remedy the real weaknesses of the Articles of Confederation.[2]

The resolutions submitted by Patterson, on June 15,[3] conceded to the United States the power to raise revenues from duties on imports, stamp duties and postal charges, in addition to the old requisitions upon the several states. Such requisitions, whenever levied, were to be apportioned according to numbers, in the ascertainment of which all the free inhabitants and three-fifths of all others were to be included. The inadequacy of such a plan was strongly urged by Hamilton, who offered another plan of government. He boldly proposed to give the legislature of the United States "power to pass all laws whatsoever," subject only to the negative of the executive.[4] But, though "praised by everybody," his plan was "supported by none." [5]

In committee of the whole house, Randolph's resolutions were adopted with some amendments; and then, on June 19, were reported to the convention. The amended resolutions did not suggest the quotas of contributions as the basis of representation, but the general grant of legislative powers remained practically as drafted by Randolph, except for the omission of the words, "to call forth the force of the Union against any

[1] Elliot, V, 134; *cf.* 178.

[2] On this point see references given by Story, Commentaries on the Constitution, §§ 932–948 (fifth edition, Boston, 1891).

[3] Elliot, I, 175–177; V, 191, 192.

[4] *Ibid.*, I, 179; V, 201, 205.

[5] From Johnson, in Yates's Minutes. — Elliot, I, 431.

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member of the Union failing to fulfill its duty under the Articles thereof."[1]

From June 19 to July 26, the report of the committee of the whole was considered by the convention. During the controversy over the question of representation in the national legislature, it was voted that "direct taxation ought to be proportioned to representation."[2] In connection with other questions, a few additional limitations were imposed upon the taxing power of Congress; but it will be shown in subsequent pages that all these restrictions were the result of some special interest or exigency, and were not due to a general desire to limit the new government in its right of taxing its citizens. After the rejection of Patterson's proposal to concede to the United States merely the right to levy impost and stamp duties, there is no evidence of any general desire in the convention to withhold from Congress all necessary powers of taxation.

On July 26, the convention referred to a committee of detail twenty-three resolutions, embodying the results of its deliberations. The right of levying taxes was conceded to the national legislature in the sixth resolution, which was retained largely in the form in which it was submitted by Randolph.[3] Eleven days later, the committee of detail submitted the first draft of a constitution. In conformity with the decision of the convention, the committee had enumerated carefully the specific powers that should be conferred upon Congress. The first section of article eight provided: "The legislature of the United States shall have the power to lay and collect taxes, duties, imposts, and excises; . . ."[4] This power was limited in certain directions, as will be shown elsewhere; but the grant was broad enough, expressed as it was in terms that included all four of

[1] Elliot, I, 180–183; V, 189, 190, 212.

[2] *Ibid.*, I, 201; V, 302.

[3] *Ibid.*, I, 221; V, 375. The resolution was as follows: "That the national legislature ought to possess the legislative rights vested in Congress by the Confederation; and moreover, to legislate, in all cases, for the general interests of the Union, and also in those to which the states are separately incompetent, or in which the harmony of the United States may be interrupted by the exercise of individual legislation." Compare Story, Commentaries, § 928.

[4] Elliot, I, 226; V, 378, 379.

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the common names for taxes,[1] to confer upon the new government adequate powers of taxation. When Luther Martin proposed to allow Congress to levy and collect direct taxes only after a failure to secure from the states a compliance with its requisitions for the necessary revenues, his motion secured the approval of only one state.[2]

On August 23, this grant of the power to levy taxes was amended, in order to make more secure provision for the public debt. In its amended form, this section of the drafted constitution stood as follows[3]: "The legislature shall fulfill the engagements and discharge the debts of the United States, and shall have the power to lay and collect taxes, duties, imposts, and excises." Two days later, this was reconsidered, and Randolph moved to postpone the clause, in favor of the following resolution[4]: "All debts contracted, and engagements entered into, by or under the authority of Congress, shall be as valid against the United States under the Constitution as under the Confederation." When this had been adopted, Mr. Sherman insisted that it was still desirable "to connect with the clause for laying taxes, duties, *etc.*, an express provision for the object of the old debts. . . ." He moved, therefore, to add to the clause giving the right to levy taxes the words, "for the payment of said debts, and for defraying the expenses that shall be incurred for the common defense and general welfare." This proposal was rejected, on the ground that it was unnecessary. But, on August 31, this section of the constitution, together with some others, was referred to a grand committee, of which Sherman was a member. Four days later, this committee reported the following amended resolution: "The legislature shall have power to lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defense and general welfare of the United States." This resolution was adopted by the convention without dissent.[5] In the final draft of the constitution, a clause was added requir-

[1] Story, Commentaries, § 950.
[2] Elliot, I, 255; V, 453.
[3] *Ibid.*, I, 260; V, 469.
[4] *Ibid.*, I, 264; V, 476.
[5] *Ibid.*, I, 280, 283, 284; V, 503, 506.

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ing uniformity in the assessment of duties, imposts and excises. This may be passed over for the present. In other respects, the resolution of September 4 stands unaltered in the completed Constitution, except for the substitution of the word Congress for the word legislature.[1]

Thus, finally, Sherman's amendment was added to the grant of the power to levy taxes. Without entering further into a discussion of the interpretation of the "general welfare" clause, it may be pointed out that the procedure of the convention shows conclusively that the words were inserted originally as a qualification of the grant of the taxing power. By this amendment, the right to levy taxes was limited to the purposes specified — namely, "to pay the debts, and provide for the common defense and general welfare of the United States."[2]

III.

Postponing for the moment the constitutional provisions concerning direct taxes, it is now in order to consider various other proposals for limiting the taxing power of Congress in certain directions. On August 18, Pinckney urged that the committee of detail should prepare a resolution restraining the legislature of the United States from establishing a perpetual revenue; and, upon a motion of Mr. Mason, this suggestion was adopted.[3] Four days later, the committee recommended that the following words should be added to the clause giving Congress the power to levy taxes: "for payment of the debts and necessary expenses of the United States; provided that no law for raising any branch of revenue, except what may be specially appropriated for the payment of interest on debts or loans, shall continue in force for more than —— years." This proposal had not received the attention of the convention

[1] Poore, Federal and State Constitutions, I, 15.

[2] On the subject see Story, Commentaries, §§ 911–931; Curtis, Constitutional History (N. Y., 1889), I, 518–521. Note also the amendment to this clause proposed in Congress, shortly after the adoption of the constitution. — H. V. Ames, Amendments to the Constitution of the United States, 242. (Washington, 1897.)

[3] Elliot, V, 440, 441.

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when, on August 31, such parts of the constitution or amendments as had not been considered were referred to a general committee.[1] On September 4, this committee reported a revenue clause which did not contain a prohibition of tax laws that should remain in continuous operation.

The ninth section of the first article of the constitution prohibited Congress from taxing exports and limited the amount of the duties that could be imposed upon the importation of slaves. These two limitations of the taxing power had a common origin, and were closely connected in the deliberations of the constitutional convention. On June 12, Pinckney expressed a desire that the legislature might be prohibited from taxing exports, since such imposts would strike chiefly the products of the labor of the slaves.[2] It was not strange that such a question arose. During the colonial period, tobacco had been almost the only article that could bear an export duty,[3] and the Southern colonies had been the only ones that could make much use of such an impost. In the fiscal years 1790 and 1791, tobacco, rice and indigo, produced almost exclusively in the slave states, constituted nearly one-third of the total exports from the United States,[4] and would have offered almost the only promising field where export duties could have been applied without destroying the possibility of further exportations. On July 23, Pinckney asserted that, "if the committee should fail to insert some security to the Southern States against an emancipation of the slaves, and taxes on exports, he should be bound by his duty to his state to vote against their report."[5]

In the report submitted by the committee of detail, on August 6, the following provisions were inserted:

> No tax or duty shall be laid by the legislature on articles exported from any state; nor on the migration or importation of such persons as the several states shall think proper to admit; nor shall such migration or importation be prohibited.[6]

[1] Elliot, I, 256, 285; V, 462, 503.
[2] *Ibid.*, V, 302.
[3] W. Hill, First Stages of the Tariff Policy of the United States, 23–26 (Publications of the American Economic Association, Baltimore, 1893).
[4] See American State Papers, Commerce and Navigation, I, 23–33, 103–146.
[5] Elliot, V, 357.
[6] *Ibid.*, I, 227; V, 379.

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In the discussions that followed, the restriction on the power of Congress to tax exports was opposed by Morris, Wilson and Madison. Of the Southern members, Mason, Butler, Carroll, Mercer and Williamson favored it; while, of the Northern delegates, Gerry, Sherman and Ellsworth considered the restriction necessary.[1] Sherman and Ellsworth urged that exports could not be taxed without injuring trade and arousing sectional jealousies. While a number of Northern delegates were inclined to Sherman's opinion, that "the complexity of the business in America would render an equal tax on exports impracticable," the debates make it evident that the real moving force back of this prohibition was the fear of the South that the value of the negroes might be decreased by export duties on the peculiar products of slave labor.[2] The clause was finally passed by seven states against four.[3] Massachusetts and Connecticut voted in the affirmative with the five Southern states, while New Hampshire, New Jersey, Pennsylvania and Delaware were counted in the negative.

The other clauses reported by the committee of detail, on August 6, prohibited the imposition of duties on slaves imported into the United States and prevented Congress from interfering with the external slave trade. These aroused fierce debates upon the question of slavery, and did not pass until they had been materially amended. As the result of a compromise, in which the South conceded the right of Congress to regulate commerce, the convention finally adopted the following provision:

> The migration or importation of such persons as the several states now existing shall think proper to admit shall not be prohibited by the legislature prior to the year 1808, but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person.[4]

In the revised draft of the constitution, submitted by the committee of revision on September 12, the clause prohibiting

[1] Elliot, V, 432–434, 454–456; Gilpin, 1339–1343, 1382–1387.

[2] On this subject see Curtis, I, 495–498, 504; Bancroft, History (author's last revision, 1891), VI, 315, 316. [3] Elliot, I, 255; V, 457.

[4] *Ibid.*, I, 256, 261, 265; V, 461, 470, 471, 477, 478.

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the taxation of exports is separated from that which relates to the taxation of persons imported into the United States.[1] But the proceedings of the convention show that both of these restraints upon the taxing power of Congress grew out of the anxiety of the South for the safety of its peculiar institution.

Another restriction upon the power of Congress to levy taxes was proposed for the first time on August 25. Upon the previous day the committee appointed to consider the slave trade and the regulation of commerce had reported in favor of allowing the legislature to pass navigation acts by a simple majority vote. In the discussions that followed, anxiety was expressed lest the legislature should favor the ports of some states in preference to those of others. Two sets of resolutions were then introduced, in order to prevent such discriminations.[2] Of these, the latter provided, among other restrictions, that "all duties, imposts, and excises, prohibitions or restraints, laid or made by the legislature of the United States, shall be uniform and equal throughout the United States." These resolutions were referred to a grand committee, which, on August 28, reported the following clause:

> Nor shall any regulation of commerce or revenue give preference to the ports of one state over those of another, or oblige vessels bound to or from any state to enter or pay duties in another. And all tonnage, duties, imposts, and excises, laid by the legislature, shall be uniform throughout the United States.

Three days later, the convention, after striking out the word tonnage, adopted this provision.[3]

On September 14, while the final draft of the constitution was under consideration, these resolutions were placed in separate sections. It was voted that, to the clause conferring on Congress the power of taxation, should be added the words, "but all duties, imposts, and excises shall be uniform throughout the United States." The origin of the clause shows that it was intended to secure territorial uniformity in the imposition

[1] Elliot, I, 301; V, 561.
[2] *Ibid.*, I, 227, 261, 265, 266; V, 379, 471, 479.
[3] *Ibid.*, I, 270, 279, 280; V, 483, 484, 502, 503.

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of duties, imposts, and excises, and "to cut off all undue preferences of one state over another, in the regulation of subjects affecting their common interests." [1]

IV.

We are now ready to study the proceedings of the constitutional convention on the subject of the apportionment of direct taxes. It has already been shown that Randolph's original resolutions had proposed to apportion representation in the national legislature according to either the quotas of contribution or the number of free inhabitants in the several states. When the convention went into committee of the whole to consider Randolph's resolutions, the question of representation engrossed a large portion of its attention. Out of the disputes occasioned by this troublesome subject sprang the proposal to limit the powers of Congress in levying direct taxes. It is necessary, therefore, to study the entire controversy over the question of representation.

After the convention had determined that the national legislature should consist of two branches, it was voted that the lower house should be elected by the people and that the upper house should be chosen by the legislatures of the states. Then came the critical question: What shall be the basis of representation? This brought on the well-known controversy between the smaller states, which demanded equal rights, and the larger states, which advocated proportional representation.

On June 11, the committee of the whole voted [2] that the rights of suffrage in the lower house should be proportioned to the whole number of free inhabitants and three-fifths of all other persons, except Indians not paying taxes, in each state. This, it will be remembered, was the basis adopted by Congress in its resolution of April 18, 1783, concerning the apportionment of requisitions. Upon the same day, by

[1] Elliot, I, 311. See Story, § 957; Curtis, I, 522.

[2] Elliot, I, 168, 169; V, 181. See Bancroft, VI, 228; Curtis, I, 340, 343; Hildreth, History of the United States (New York, 1856), III, 486–489.

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a vote of six against five, the larger states carried a motion that the right of suffrage in the upper house of the legislature should be according to the rule established for the lower; and then, on June 19, the committee of the whole made its final report to the convention. After discussion of this report, the convention finally voted, June 29, that the right of suffrage in the lower house "ought not to be according to the rule established in the Articles of Confederation, but according to some equitable ratio of representation." Then the small states made a determined struggle to secure equal representation in the upper house. But a motion conceding this point was defeated by a tie vote, Georgia's delegates being divided.[1] Thus it seemed that a deadlock must ensue. But the entire subject of representation was finally referred to a grand committee for further consideration. On July 5, this committee reported a plan brought forward by Franklin, proposing that in the lower house each state should have one representative for every forty thousand inhabitants, including all the whites and three-fifths of the blacks, while in the upper house each state should have an equal voice. But this arrangement failed to satisfy the convention at that moment, and a long debate ensued. Some members did not like the proposed scheme for regulating representation in the lower house, though little was said at the moment concerning the representation for three-fifths of the slaves. Others still opposed equal representation in the upper house, and a warm discussion followed between delegates from the larger states and those from the smaller. On July 6, the convention resolved to refer to a committee of five the question of the proper basis of representation in the lower house. On the next day it was agreed that the states should have equal votes in the upper branch of the legislature. This decision tended to allay the strife between the larger and the smaller states, although one more attempt was made, a few days later, to destroy the equality of suffrage in the upper house. Mutterings of discontent were, indeed, heard up to July 16, when, Madison tells us, the delegates from the

[1] Elliot, I, 169, 181–183, 192, 193; V, 182, 259, 269, 270.

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larger states finally decided that such a concession to the smaller states was an absolute necessity.[1]

But the question of representation in the lower house was not so easily settled. When the convention agreed that in this branch proportional representation should be the rule, the difficulties had merely commenced. For several days interest centered around the basis of representation in the lower house. In the course of the deliberations the parties of the large and the small states almost disappeared, and distinct Northern and Southern parties were formed.[2] Madison declared, July 14:

> It seemed now to be pretty well understood that the real difference of interest lay, not between the large and small, but between the northern and southern states. The institution of slavery, and its consequences, formed the line of discrimination.[3]

In this controversy the direct-tax clause of the constitution originated.

It has been shown that, on July 6, a committee of five was instructed to devise a plan for settling the question of representation in the lower house of the national legislature. On July 9, this committee reported a scheme by which, for the first meeting of the new legislature, fifty-six members should be apportioned among the several states. It was further recommended that, in future apportionments, the legislature should "regulate the number of representatives, in any of the foregoing cases, upon the principles of their wealth and numbers." This latter recommendation was considered first by the convention, and was adopted.[4] It is important to remember this fact, because the discussions of the next few days need to be interpreted in the light of this decision.

At this point a new consideration was brought into the debate. A few members of the convention entertained some jealousy toward the growing power of the West. Three of these delegates, Morris, Gorham and King, were members of

[1] Elliot, I, 195, 196, 205; V, 280, 281, 285, 286, 311, 319.
[2] This is best appreciated by Hildreth. See his History, III, 496–501.
[3] Elliot, V, 315. *Cf.* the words of King to the same effect. — Elliot, V, 290, 291.
[4] *Ibid.*, I, 197; V, 287, 288.

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the committee of five. When asked for the reasons that had induced the committee to combine wealth and numbers in the basis of representation, Gorham stated that such a provision was necessary, in order to prevent the Western states from outvoting the Atlantic states at some future time.[1] Like arguments were advanced by Gerry, King and Morris during the next few days, and were answered promptly by Mason, Randolph, Madison, Wilson and Sherman.[2] When, July 14, Gerry moved that the number of representatives should be so regulated that states subsequently admitted could never outvote the original members of the Union, the convention rejected the proposal. Massachusetts, Connecticut, Delaware and Maryland were the only states to favor Gerry's motion; and, of these, the votes of Delaware and Maryland were probably nothing more than "the dying expression of old regrets about the proprietaryship of western lands."[3] It is probable that the extent and importance of the jealousy of the West has been exaggerated; but, in any case, the discussion of the subject centered around the question of representation, not that of taxation.

The first recommendation contained in the report of the committee of five did not meet the approval of the convention. The committee's scheme of apportionment awarded twenty-six members to the Southern states and thirty members to the Northern. Upon the motion of Sherman, the subject was referred to another committee consisting of one member from each state; and on July 10 this committee recommended that the first lower house should consist of sixty-five representatives, of which number thirty-five were allotted to the North and thirty to the South.[4] After various unsuccessful attempts to reduce the representation of New Hampshire and to increase that of the Southern states, the convention finally adopted the distribution recommended by the committee. The discussions of the subject more and more brought the question of slavery

[1] Elliot, V, 238. [2] See Elliot, V, 288–318, *passim*.
[3] *Ibid.*, I, 204; V, 312. See Bancroft, VI, 264.
[4] Elliot, I, 198; V, 293. See Bancroft, VI, 258; Curtis, I, 407.

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to the front;[1] from July 10 to 12 nearly all debate turned on the opposing interests of the Northern and the Southern states.

After the final vote on the distribution of members, Randolph proposed an important amendment to the second paragraph of the report that the committee of five had submitted on the previous day (July 9). This paragraph, which had been accepted by the convention, provided that the national legislature, whenever occasion might arise, should be "authorized" to augment the number of representatives, following numbers and wealth as the rule of apportionment. The control of future representation was thus left wholly to the discretion of the legislature. As the Northern states were to have thirty-five out of the sixty-five members in the lower branch of the first legislature, this plan would enable the North to control all future representation. The delegates from the South were alarmed at such a prospect. Randolph proposed, therefore, that the paragraph should be amended, so as to oblige the legislature "to cause a proper census and estimate to be taken once in every term of —— years." This reasonable suggestion was opposed, especially by Morris and King, on the ground that it would be unwise to fetter the legislature by any rigid constitutional requirement.

Sectional lines having been most sharply drawn, the debates became more heated and excited. On July 11, Randolph's proposition was withdrawn in favor of the following resolution, introduced by Williamson, of North Carolina:

> *Resolved*, That, in order to ascertain the alterations that may happen in the population and wealth of the several states, a census shall be taken of the free inhabitants of each state, and three-fifths of the inhabitants of the other description, on the first year after this form of government shall have been adopted, and afterwards on every term of —— years; and the legislature shall alter or augment the representation accordingly.[2]

This resolution not only made periodical apportionments obligatory, but marked the return to numbers as the sole rule for representation. In including three-fifths of the slaves, Wil-

[1] Elliot, I, 199; V, 293. See especially the speech by King, V, 290, 291.
[2] Elliot, I, 199; V, 295.

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liamson followed the expedient that had been previously recommended. But this device no longer satisfied the extremists of either the North or the South. Butler and Pinckney moved that all the slaves should be enumerated for the purpose of determining each state's representation, but their demand was refused. Then the convention adopted that part of Williamson's resolution which provided for the enumeration of all the white inhabitants. This brought the members to the single question, whether three-fifths of the slaves should be included also. King and Morris antagonized the proposition most strenuously. Finally, the extremists on both sides — those who desired to have all the slaves counted and those who refused to allow any blacks to be enumerated — combined to defeat the three-fifths clause. After this, Williamson's entire resolution was rejected by a unanimous vote,[1] and the delegates seemed more widely divided than ever. The defeat of Williamson's motion left before the convention the amended report of the compromise committee of July 5, providing that the lower house of the first legislature should consist of sixty-five members and that the legislature might adjust future representation according to the rule of wealth and numbers.

When the convention assembled on the morning of July 12, the sole question of immediate interest was that of representation for slaves. For the time being, the controversy between the large and the small states was entirely forgotten. At this juncture, Gouverneur Morris came forward with a proposal which he designed "as a bridge to assist" the convention "over a certain gulf."[2] He moved to add to the clause authorizing the legislature to regulate representation according to wealth and numbers, the provision that "taxation shall be in proportion to representation."[3] This proposal was

[1] Elliot, I, 199–201; V, 296, 300–302. *Cf.* Curtis, I, 410, 411; Bancroft, VI, 265; Hildreth, III, 500.

[2] These are Morris's own words. — Elliot, V, 363.

[3] Elliot, V, 302. This seems to have been an entirely novel suggestion. Precedents might have been found for the reverse proposal — to proportion representation to taxation. In the Continental Congress Middleton had proposed, in 1776, that the colonies should vote according to the amounts they paid in requisi-

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intended to make the South less desirous of securing representation for all the slaves, since its share of public burdens would be increased proportionally. On the other hand, such a plan would tend to decrease the opposition of the North to admitting some portion of the slaves into the rule for representation.[1] But, contrary to Morris's expectation, Butler, of South Carolina, immediately demanded representation for all the slaves, although he conceded the justice of the new proposition. On the other hand, Mason and Wilson objected that the provision advocated by Morris "might drive the legislature to the plan of requisitions." This criticism was regarded as a serious one, for no member manifested a desire to restrict the taxing power in such a way as to cripple its effectiveness for purposes of revenue. Accordingly, Morris "admitted that some objections lay against his motion, but supposed they would be removed by restraining the rule to *direct* taxation." With regard "to indirect taxes on exports and imports, and on consumption, the rule would be inapplicable."[2] Therefore, the motion was amended; and, without dissent, it passed the convention in the following form: "*Provided always*, That direct taxation ought to be proportioned according to representation."

Two conclusions stand out clearly from the foregoing recital of facts. First, the resolution of Morris was intended simply as a means of harmonizing differences between the free and the slave states. Second, it was not designed to injure, much less to cripple, the taxing power of the new government.[3] There is no reason for thinking that any such measure would have been

tions. (Works of John Adams, II, 499.) The following year a similar motion was defeated. (Journals of Congress, October 13, 1777.) In the convention Randolph had originally proposed the quotas of contribution as a basis for determining representation. (Elliot, V, 127.) On June 11 it was twice proposed to take the actual contributions of the states as the "equitable ratio of representation." (Elliot, V, 179, 181.)

[1] Such is Madison's explanation. — See Elliot, V, 363, note.

[2] Elliot, V, 302.

[3] This is well shown by the fact that the motion passed unanimously, securing the support of those members who opposed most strenuously all proposals that seemed likely to make the taxing power of Congress ineffective. Thus, the motion was supported by Morris, Madison and Wilson, all of whom had opposed the proposal to prohibit Congress from taxing exports. — Elliot, V, 432, 433, 454–456.

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suggested, if the dispute over the representation for the blacks had not taken the turn that it did. One other consideration should be emphasized. Morris's amendment was added to a resolution which provided for representation according to wealth and numbers. It did not contemplate originally an apportionment of direct taxes upon the basis of population alone.

After Morris's motion had been passed, the Southern delegates desired to have the rule of wealth and numbers more explicitly defined. Pinckney urged that the clause, as it stood, left the legislature entire freedom in the manner of ascertaining the wealth of the states, and he demanded protection for property in slaves. Randolph urged the same considerations that he had presented the previous day, against leaving the future regulation of representation entirely to the discretion of the legislature: "Express security," he argued, "ought to be provided for including slaves in the ratio of representation"; he "lamented that such a species of property existed; but, as it did exist, the holders of it would require this security." In accordance with these demands, a motion, made by Randolph and amended by Wilson, was passed in the following form:

> *Provided always*, That representation ought to be proportioned according to direct taxation; and, in order to ascertain the alterations in the direct taxation which may be required, from time to time, by the changes in the relative circumstances of the states, . . . *Resolved*, That a census be taken within six years from the first meeting of the legislature of the United States, and once within the term of every ten years afterwards, of all the inhabitants of the United States, in the manner, and according to the ratio, recommended by Congress in their resolution of April 18, 1783; and that the legislature of the United States shall proportion the direct taxation accordingly.[1]

The reader will remember that the resolution of April 18, 1783, provided that all free inhabitants and three-fifths of the slaves should be included in the basis of apportionment of the requisitions. The motion passed by the convention was purposely worded so as to avoid the actual mention of slaves.

[1] Elliot, I, 201–203; V, 303–306.

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On July 13, Randolph proposed another amendment. The resolutions adopted on the previous day had all been in amendment of the original proposition that the legislature might regulate representation in the lower branch according to the rule of wealth and numbers. The convention had now decided that representation should be proportioned to direct taxation and that direct taxation should be divided among the states in proportion to population. In order to secure entire clearness, Randolph moved that the word "wealth" should be stricken out of the original motion.[1] This was agreed to by a nearly unanimous vote. Thus the original proposal was made to read, that future representation should be adjusted to the number of inhabitants of the respective states; while amendments provided that representation should be proportioned to direct taxation and that direct taxation should be divided among the states according to the rule of numbers, including three-fifths of the slaves.[2]

This was the final form of the compromise between the North and the South over representation in the lower house.[3] With this difficult question settled, the large and the small states found time, on July 14, to indulge in one more controversy over the equal vote of the states in the upper branch of the legislature.[4] Upon July 16, the report of the grand committee, as amended, was finally adopted, but by the narrowest of majorities; and this was generally accepted as a final settlement of differences over the question of representation.[5]

[1] Elliot, I, 204; V, 307–309.

[2] These final resolutions may be found most easily in Elliot, I, 202–204, 222, 223.

[3] On August 8, Morris moved once more to strike out the provision allowing representation for three-fifths of the slaves, but he secured the vote of only one state. — Elliot, I, 233; V, 392–394.

[4] Elliot, V, 310–316.

[5] *Ibid.*, I, 205, 206; V, 316, 317, 319, note. Upon July 24, Morris endeavored to induce the convention "to strike out the whole of the clause proportioning direct taxation to representation." He said that he had intended it merely as a bridge over a certain gulf, and he believed the bridge could be removed now that the gulf had been crossed. He thought that the rule was open to strong objections. But it was too late to disturb the compromise that had been effected with so much difficulty. — Elliot, V, 362, 363.

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In the first draft of the constitution,[1] submitted by the committee of detail on August 6, these resolutions relating to representation and direct taxes were separated. The provision regarding the number of representatives in the lower house of the first Congress and that concerning the apportionment of future representatives by the prescribed rule of population were placed in the fourth article. The provision concerning the apportionment of direct taxes was placed in the seventh article, which enumerated the powers of Congress.[2] This arrangement was changed by the committee of revision. All the provisions concerning the apportionment of representatives and direct taxes were brought together in section two of article one[3]:

Representatives and direct taxes shall be apportioned among the several states which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to servitude for a term of years, and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct. The number of representatives shall not exceed one for every forty thousand, but each state shall have at least one representative; and until such enumeration shall be made, the state of New Hampshire shall be entitled to choose three, Massachusetts eight, Rhode Island and Providence Plantations one, Connecticut five, New York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three."

While the final draft of the constitution was under consideration, Dickinson and Wilson moved to strike out the words

[1] On August 25, while this draft was under discussion, Luther Martin proposed an amendment, which provided that the United States should not possess the power to levy and collect direct taxes until requisitions for the amounts due should have been made upon the several states and should have been refused. It is not recorded that the members of the convention considered this proposal worth discussion. At any rate, the motion was defeated by an overwhelming vote, in which Martin secured the support only of one of his Maryland colleagues and of the state of New Jersey. — Elliot, I, 255; V, 453.

[2] Elliot, I, 224, 227; V, 377, 379.

[3] *Ibid.*, I, 298.

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"direct taxes" from this clause, on the ground that the expression was out of place in an article which related merely to the constitution of the House of Representatives. The motion was defeated, however, by a vote of eight states to three; and the clause, without amendment, became a part of the constitution.[1]

Before leaving this subject, mention must be made of a second constitutional provision concerning direct taxes. On July 13, after the rule for apportioning representatives and direct taxes had been established, the convention adopted a resolution which required that, until the first census should be taken, direct taxes should be divided among the states in proportion to the number of representatives allowed to each in the first Congress.[2] This resolution does not appear among those referred to the committee of detail on July 26.[3] That committee, however, submitted the following proposition in their report of August 6: "No capitation tax shall be laid, unless in proportion to the census herein before directed to be taken."[4] This prohibited Congress from levying one kind of a direct tax before the census should be completed; and the purpose of the provision was to make it impossible for Congress to render slavery unprofitable by heavy taxation of the slaves.[5] It seems strange that such a clause should have been deemed necessary; for the rule for direct taxation had been established, and it was never doubted at any time that capitation taxes were direct, within the meaning of the constitution. But the Southern members may have feared that, before a census could be taken, Congress might make an arbitrary estimate of population and might apportion a capitation tax

[1] Elliot, I, 308; V, 540. Gilpin, 1569, 1570.

[2] Elliot, I, 203; V, 306, 307.

[3] *Ibid.*, I, 221, 222; V, 375, 376.

[4] *Ibid.*, I, 227; V, 379.

[5] See explanation made by Baldwin, a member of the convention, in the House of Representatives, on February 12, 1790. (Annals of Congress, First Congress, I, 1242, 1243.) In the Virginia convention this subject came up for discussion. (Elliot, III, 456–458.) Mr. George Mason urged that this clause was "a mere confirmation of the clause which fixed the ratio of taxes and representation." In the subsequent debates of the federal convention, this clause was always grouped with those relating to taxation of the slave trade, navigation acts, *etc.*

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unfairly, in such a manner as to lay disproportionate burdens upon owners of slaves. Gerry made an effort, on August 20, to have the convention adopt the original motion concerning the assessment of direct taxes before the taking of the first census. His proposition was rejected as unnecessary, but the clause reported by the committee of detail was accepted.[1]

An amendment was adopted by the convention on September 14, when the final draft of the constitution was under consideration. Read suggested that the words "or other direct tax" be inserted after the word "capitation," and the motion was carried.[2] His purpose was to prevent Congress from attempting "to saddle the states with a readjustment, by this rule, of past requisitions of Congress."

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[1] Elliot, I, 253, 254, 261, 265; V, 451–453, 471, 478.
[2] *Ibid.*, I, 311; V, 545.

(*To be continued.*)

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CITY GOVERNMENT IN CANADA.

A CANADIAN does not need to be a very old man, it has recently been said,[1] in order to remember the time when it was generally supposed that the copy we had made in this country of British institutions was an effectual safeguard against the evils of democracy. We looked across the border, and according as our thoughts reverted more naturally to Scripture or to the classic poets, we would either thank God that we were not as those republicans, or murmur after Lucretius:

> Suave mari magno turbantibus aequora ventis
> E terrâ magnum alterius spectare laborem.

The writer thus quoted had in mind only our federal and provincial government. As for our civic organization, it is more immediately American than English. But the sentiment of self-gratulation that is noted has not wholly passed away; and it still exists in a modified way also for our city government. Some Canadians would perhaps deny sharing in such a mood. But the disclaimer would likely come, in most cases, from people not too familiar with their municipal history. For the conditions of settlement of the country, in particular the nationality of our immigrants, have been peculiarly favorable to the development of a satisfactory system of local government. And it will be found that civic organization in the greater part of the Dominion is not without its characteristic, and no less its hopeful, features.

It is interesting to note that during the last generation and a half municipal problems have never violently agitated the Canadian public. The reason is, in the main, that they have been disposed of almost simultaneously with their public appearance. This summary dealing with municipal matters, from ses-

[1] W. D. Le Sueur, in *Queen's Quarterly* (Kingston, Ontario), January, 1895.

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sion to session of the provincial legislature, has been possible through the tardy growth of Canada's population, which has not advanced, either generally or locally, by leaps and bounds as in the United States. In fact, it can be said at once that the rise of great cities is scarcely yet a feature in the growth of Canada's population. Only two cities have a population of over 100,000 inhabitants: Toronto, estimated at 210,000, and Montreal, at 260,000 or — including the outlying municipalities, which may be considered as forming part of the city — 300,000. Winnipeg, Vancouver, B. C., and Calgary, N. W. T., which show signs of becoming, along with Montreal and Toronto, great emporiums of trade, are all three cities of less than forty thousand. This, indeed, may practically be said of all the cities outside of Ontario and Quebec. The largest twenty cities of the Dominion, according to the census of 1891, had a general average of but 41,500, or, excluding Montreal and Toronto, of 24,000. Their present average will probably be from 10 to 20 per cent higher. In the United States in 1870 places of 8000 or more inhabitants contained nearly 21 per cent of the entire population; in 1880, 22.57 per cent; and in 1890, 29.20 per cent. In Canada in 1871 only 13.01 per cent of the population lived in cities and towns of over 5000 inhabitants; in 1881, 16.91 per cent; and in 1891, 21.09 per cent. Were the basis of the calculation 8000, as in the United States, the percentage for Canadian cities and towns would be much smaller.

But the increasing concentration of population that has caused such changes in economic and political conditions in the various countries of the world is not absent in Canada. Rural population in the more settled districts has become sparser than it was ten or twenty years ago. And, in spite even of the great extension of settlement in "the virgin province" of Manitoba and the Canadian West, the number of people living in the towns and cities has been steadily growing. From figures in the first volume of the census returns for 1891, one-fourth of Canada's increase in population between 1871 and 1891 is ascribed to cities and towns of over 5000 inhabitants. Conversely, for the rural regions, although the figures are not in

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themselves quite conclusive, while the area of "improved land" in the Dominion advanced in the decade preceding 1891 somewhat over 6,638,000 acres, the number of "farmers and farmers' sons" shrank from 656,712 to 649,506.[1] In the Province of Ontario population increased between 1878 and 1896, according to the reports of the Bureau of Industries (Toronto), from 1,652,686 to 1,972,286, or 19.3 per cent. Yet, despite a great expansion of the dairy business, there was a decrease in rural population of 1.1 per cent, while the population of towns and villages increased 37.8 per cent and that of cities somewhat over 100 per cent. These figures will very probably apply generally to the other provinces of eastern Canada as well, with the possible exception of Quebec. Lack of adequate returns of the actual population prevents a more exact statement. The figures given are certainly sufficiently significant for those in Canada who are beginning to give more attention to matters municipal.

Canadian cities, we have seen, are not large; neither is their history long. The oldest incorporated city is St. John, N. B., now attracting considerable attention as an alternative shipping port with Halifax. St. John was incorporated in 1784, the year following the landing of the American Loyalists, who numbered for this locality about 5000.[2] Its present population is about 40,000. Quebec and Montreal, much older and more important settlements, followed it in 1832, though four years later their charters were suspended until 1840. Toronto received its incorporation in 1834, the year preceding the great English Municipal Corporations Act; Halifax in 1841; Kingston and Hamilton in 1846; Ottawa in

[1] These figures do not include such "agriculturists" as stock-raisers, apiarists, nurserymen, *etc.*, nor "farm laborers." See the second volumes of the census reports for 1881 and 1891.

[2] The landing of the Loyalists is given as on the 18th of May, which is celebrated at present as St. John's natal day. This large immigration into the valley of the St. John River led at the same time to the establishment of the Province of New Brunswick. The city's charter, which it has been said was modelled on that of New York, from which place many of the refugees had come, is in some details quaint and entertaining. *Cf.* a general reference in Encyclopedia of Canada, V, 256.

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1854; New Westminster in 1860; Victoria in 1862; Winnipeg in 1874; St. Thomas in 1881; Vancouver in 1886; Windsor in 1892; Calgary in 1893.

It is thus also clear that city government in Canada has not yet undergone the straining and testing that inevitably come with huge aggregations of population, and that its history will not be, on the whole, so dramatically interesting as that, for example, of many American towns. Yet the same tendencies that have appeared so prominently in the history of many cities in the neighboring Republic have also made themselves felt at times in Canada; and it is interesting to note some of the conditions, influences and measures that have assisted in combating them — the more so as some of the measures have enjoyed considerable success.

Looking beyond the city for a moment, the county, which occupies a position of prominence in Ontario and the East, is not met with in the provinces farther west. There its place is taken by the less highly organized rural municipality.[1] In Nova Scotia and New Brunswick the unit of local government outside the towns is the county. In the latter province the principal places, such as St. John, Moncton, St. Stephen and Campbellton, as well as certain important parishes, are also represented in the county councils. Thus, from the point of view of non-urban local government, Canada falls logically into three divisions: the Maritime Provinces, with the county as the

[1] Possibly the simpler system of the West may be instructive in this respect for the rest of Canada. In Ontario and Quebec the county was at its institution merely an electoral district. In Nova Scotia the county was created, in preference to the smaller municipal unit, to guard against the spread of New England democracy, which had been so successfully fostered in the town meeting. But the tendency has been toward uniformity of system, and at present the county organizations in the three provinces resemble one another not only in general outline but also in many important details. Some time ago the complaint of "over-government" was raised in Ontario against the multiplication of administrative units: village, township, county, province. Since then the system of county representation has been simplified. Now, however, another matter is demanding attention — namely, the jurisdiction of the county court, which, because of its expensiveness, it seems advisable to restrict in favor of the division courts. On this important matter, see the reports of the Inspector of Legal Offices and of the Inspector of Division Courts for 1898.

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unit; Quebec and Ontario, with the mixed county-township system; and the West, including Manitoba, with the pure township system. In this outline there is considerable parallelism to the distribution of local-government systems in the American Union, as the readers of Mr. Bryce[1] will recall. In Ontario and Manitoba, cities are incorporated under general statutes, by which a population of a certain size and density may be proclaimed a city by the Lieutenant-Governor;[2] in other parts of Canada this is done by special legislation. To some other special features we shall refer directly. One of the most prominent among these is the control of the liquor patronage, which in the West and, since 1896, in New Brunswick as well has been placed in the hands of provincial commissioners; but in the East, with the one exception just named, it rests still with the cities.

But in a study of city government the character of the administration is the line of division, rather than the relation between the various municipal units: and, although there is noticeable throughout the Dominion a gradual approximation to one type of city government, urban Canada may be divided roughly into two great sections, chiefly on grounds of administrative organization, but to a certain extent of historical association as well. In the West, Ontario, Manitoba, British Columbia and the Northwest represent a tolerably uniform area. For this section, owing largely to the fact that so many Ontario men have accepted municipal appointments or entered upon the practice of law in its leading cities, the municipal system of Ontario has in many respects served as model. In the East we may class Quebec Province, which on various grounds might lay claim to a position apart, with the Maritime Provinces and Newfoundland, though the last forms as yet no part of the Dominion.

It is from the United States, as already observed,[3] that

[1] American Commonwealth, vol. i, ch. xlviii.

[2] Usually, however, a special act of Parliament is passed, declaring the town a city and making provision for liabilities, *etc.*

[3] *Cf.* first Report of the Ontario Municipal Commission of 1888, p. 22.

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Canada has more immediately received, at least in outline, her municipal system. For this reason, and because New World influences also prevail in Canada, some features of city government in the United States may be used as a standard for comparison. In the simplicity of its detailed organization, however, urban government in Canada approximates rather to the English than to the American type.

Perhaps the most striking contrast between Canadian municipal organization and that in the United States lies in the fact that the one is in a state of free development, while the other is conditioned by the requirements of a system. In the one country the municipal constitution is changing from Parliament to Parliament, from session to session, unfolding new powers here, dropping others there, according as requirements dictate or experience advises; in the American Union the springing up of large towns and the rapid growth of great metropolitan centres have necessitated their being housed in administrative structures whose lines were suggested, as Mr. Bryce and others point out,[1] by the already existing state governments. That the process of adaptation has demanded many alterations was only to be expected; for city and state are so different, both from the standpoint of party politics and from that of general administration, that an organization which has been eminently successful for the larger unit may not be at all adapted to the smaller.[2] In Canada, on the other hand, the municipal organization is, in the main, a reliable reflection of local conditions. The series of municipal amendments passed from session to session of the provincial legislatures, mostly on the initiative of the local councils, bears this out. In Toronto, whose plan of action is characteristic of much of Canada, it is the practice to suggest to Parliament any changes in the municipal act that the experiences of the preceding year may have warranted. We may say, generally, that the civic

[1] Bryce, as cited, vol. i, ch. 1; and Goodnow, Municipal Problems, pp. 16, 21, where the author speaks of a too strict adherence in American municipal legislation to doctrinaire teachings.

[2] *Cf.* Eaton, The Government of Municipalities, pp. 63 ff.

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organization of Canada is the outcome of a steady development covering half a century.[1]

A second important factor in Canadian municipal growth is the homogeneity of the population — setting aside the French element, which forms practically a distinct group in a single province.[2] In this respect, again, the contrast with the United States is marked. In 1891 in every 100 of our population 96.7 were British and 1.2 American born. This leaves but the small percentage of 2.1 to be divided among the various other nationalities. Or, considering Ottawa, Montreal and six out of the seven provincial capitals (that of Prince Edward Island not being specially referred to in the census report), we find that in 100 of the mean population of these cities only 5.6 were of foreign birth; or, excluding those born in the United States, but 3.21. A comparison in this regard with the latter country is striking. In every 100 of the mean population of fifty of its largest cities 30.77 are foreign born, while for the rest of the country the figures are 11.29. The homogeneity of Canada's population undoubtedly simplifies the problem of her city government. Montreal and Ottawa alone of Canadian cities appear to be somewhat trammelled in their municipal activity by racial and concomitant religious influences. Of

[1] The later development of Ontario's municipal institutions may be conveniently dated from 1849, when the Magna Charta of Upper Canada's local government, known as the Baldwin Municipal Act, became law. Quebec's municipal history dates practically from an ordinance of the Special Council of 1841 (4 Vic., c. 4), "to provide for the better internal government of this Province by the establishment of Local or Municipal Institutions therein." The Lower Canada Municipal and Roads Act, which is the basis of the present organization, was passed in 1855.

[2] The census of 1891 returns 1,404,974, or 29 per cent, of the Dominion's population as of French descent. As these figures are based on the *de jure* system of enumeration, under which people are enumerated according to their permanent domicile, they probably include many thousands, probably many tens of thousands, of French Canadians working in New England factories. Of these 1,186,346, or 85 per cent of those enumerated, are ascribed to the Province of Quebec. Quebec City, since the withdrawal of the British regulars some years ago, is now almost altogether French Canadian, although at present one or two of its aldermen are British Canadians. Of the 91,605 French Canadians (6.5 per cent of the whole) returned for Nova Scotia and New Brunswick very few appear in the larger towns or cities.

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Montreal's population considerably over one-half is French Canadian, of Ottawa's one-third.

A restricted municipal franchise is another feature of urban Canada. In Nova Scotia and St. John's (Newfoundland) the qualification for municipal voters resembles that required in England — namely, twelve months' residence within the municipality and payment of poor and city rates, for which the voter must not be in arrears. For the one city of Prince Edward Island, Charlottetown, twelve months' residence and payment of the city poll tax is the minimum. In the cities of Ontario and in Calgary, the only incorporated city of the Northwest, ratepayers upon an income of $400 may vote, and in the city of St. John, New Brunswick, ratepayers upon an income of $300. Elsewhere, with the exception of Charlottetown, Prince Edward Island, where a poll tax of $2 qualifies, a property qualification as owner or occupant is necessary. Ontario — as an alternative to income — and Manitoba demand a realty qualification of $400; Montreal one of $300, or an assessed annual value of $30, which Quebec City makes $25 for proprietors and $50 for occupants. In New Brunswick the amount of the real-property qualification is not specified. In the four largest cities of British Columbia a six months' residence and an annual rental of $60 in three instances, and $100 in the fourth, are sufficient to qualify. But Chinese and Indians are not entitled to vote. In most cases the urban franchise is more conservative than the provincial.[1] This is particularly true of Ontario. It may, in fact, be said that throughout Canada the municipality is regarded more as a species of joint stock company, only those contributing the capital being allowed to share in the direction of its affairs.

[1] A comparison of the number of voters under provincial and municipal franchise, respectively, is of course not possible, because of the scattered properties of many owners and consequent duplications. Moreover, in city elections women are entitled to vote. By Act of 1898 (61 Vic., c. 14), we may mention, the provincial franchises were adopted as the basis for the federal elections in the respective provinces. In Ontario and the West the provincial franchise is practically universal after a certain term of residence; in the eastern provinces the suffrage is more restricted. *Cf.* "The Electoral Franchise in Canada," by T. Hodgins, Q. C., in Encyclopedia of Canada, vol. v.

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That this is an extremely useful conception will be denied by few.[1]

But while homogeneity of population and a restricted franchise have undoubtedly favored municipal government in Canada, they do not altogether explain its remarkably placid course. An influence even more potent is to be found in the non-interference of political parties. Here again we have a striking contrast to conditions in the United States. Whether or not public opinion in Canada is, as is frequently stated, opposed on principle to the direct introduction of party politics into municipal matters, I will not venture to say. Partisan influences one cannot expect to be wholly neutral; in a few places they are decidedly active, though this is fortunately the exception. Some suggest, as a partial explanation of our exemption from political control, the smallness of many of our cities, the homogeneity of our population and the predominance of local interests and influences.[2] To this should be added the conservatism of our civic franchise, and certain regulations as to municipal patronage, through which political spoils are in part shielded from local politicians and in part removed to the broader and more suitable field of the province.

In the first place, municipal offices throughout Canada are filled, not by popular election, but through appointment by mayor and council. Moreover, as a rule, the appointments are not for a specified term, but in practice are permanent during good behavior. In one or two provinces police appointments

[1] That property owners, however, may at times require more protection against themselves than against the non-property-holding classes has been frequently remarked. The experience of Toronto, for instance, between 1885 and 1890, when miles of new streets were laid out and furnished with sewers and water and gas mains, far in advance of the real requirements of the city, is but the repetition of an incident in Philadelphia history, as commented upon by Allinson and Penrose (Philadelphia, 1681–1887; a History of Municipal Development, p. 278).

[2] In contrast to conditions in many parts of the American Union, the dates for provincial and federal elections are fixed quite independently of the municipal elections, with which they may be said practically never to conflict. This is the more likely since city elections, with but few exceptions, are held between the months of December and April.

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have been placed in the hands of commissioners independent of the city council. In the second place, the liquor-license patronage, as already observed, has been transferred in most of the provinces from direct municipal control to provincial supervision. Ontario began the march in this direction in 1876, by entrusting the granting of all liquor licenses to a board of three liquor-license commissioners, appointed by the Lieutenant-Governor in Council,[1] reserving to each municipality the right to decide for itself how many licenses are to be granted within its limits. Manitoba followed in 1889, British Columbia in 1892,[2] New Brunswick in 1896 and the Northwest Territories in 1897. Quebec and Nova Scotia are accordingly the only other provinces of importance that preserve the older system of appointments. In Quebec Province, conformably to section 842 of the revised liquor-license law, the granting of a license is to be refused if opposed by a majority of the electors resident in the locality. In Quebec City the grant must be confirmed by the judge of the sessions of the peace or the city recorder; in Montreal, by the two judges of the sessions of the peace and the recorder, or any two of them.

In the cities of Ontario the police are under a board of commissioners, composed of the judge of the county court, the mayor, the police magistrate and a permanent official appointed by the city council. The same system of control is also met with in Winnipeg, and again in the cities of British Columbia, though here the place of the judge is taken by an appointee of the crown.[3] In Charlottetown, Prince

[1] According to the British North America Act of 1867, which is in effect the Constitution of Canada, the Dominion has exclusive powers in "the regulation of trade and commerce." It was, accordingly, for a considerable time uncertain whether the Dominion or the provinces had the right to grant liquor licenses. The decision of the Privy Council in England in 1884 finally settled the question in favor of the provinces. — Reference to this decision in Bourinot, Manual of the Constitutional History of Canada, ch. xiii.

[2] By Act of 1899 (c. 53) the Liquor-License Commissioners for any city of British Columbia are to consist of the mayor and two appointees of the Lieutenant-Governor, one of whom must be a member of the city council. The commissioners are appointed annually.

[3] By the act just cited a similar system to that outlined for License Commissioners has been adopted for Police Commissioners.

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Edward Island, and St. John, New Brunswick, the police magistrate is appointed by the Lieutenant-Governor and is given general powers of supervision; otherwise and elsewhere in Canada the city council is the controlling body. St. John's, Newfoundland, appears to be policed by the "Terra Nova Constabulary," a body controlled by the general government.

It will not do to minimize the influence of these two sets of provisions — even though their application is not quite general — on the efficiency of Canadian city government. In fact, it will be hard to overestimate their importance for the cities of western Canada, and, as regards liquor-license patronage, for those of New Brunswick as well. In Nova Scotia, where a strong "prohibition" sentiment prevails, the importance of this patronage is somewhat diminished.

Another problem now under vigorous discussion in the United States is that as to the relation between state and city in local administration. As bearing on this matter it is to be noted, at the outset, that the seven large provinces of Canada and the four organized territories are much more important, relatively to their cities, than are the forty-nine states and territories of the Union. This is more or less apparent from their size alone. But up to the present there has been no pronounced attempt at administrative supervision, such as that afforded in England by the English Local Government Board. What measure of central supervision exists is exercised, as in the United States, solely by the legislatures. But, partly as the result of a vigorous local spirit, partly as the consequence of concentration of power and personal responsibility in the various cabinets, — which is much more marked in the provinces than in the federal government at Ottawa, — the provincial legislatures have uniformly displayed sufficient regard for the wishes of their municipalities; although, curiously enough, in most provinces it has so happened that the majority of city members have been for a long time identified with the parliamentary opposition. The fact remains, however, that theoretically our provincial legislatures have an overshadowing power, as compared with our cities. This power they bring

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to bear either through legislation or administratively through financial grants — as, for instance, in connection with education. Besides the regulations already cited for liquor and police patronage, there are also provisions for sinking funds — which are very complete in Ontario; for the limitation of municipal indebtedness — on the efficacy of which the recent financial history of Montreal may be consulted;[1] for boards of health, *etc.* In connection with the question of provincial supervision, another matter suggests itself — namely, the publication by the province of systematic and reliable municipal reports. This is necessary for both legislative and general financial information. Of late years more attention is being paid to the compilation and publication of such statistics by several of the provinces, based on the auditors' reports from the various cities. Ontario is well in advance in this regard. British Columbia has begun to follow, and Quebec also, though somewhat tentatively.

In the exercise of legislative control over cities, Ontario and Manitoba, where the circumstances permit it, pass, with few exceptions, only general laws. This is also the case in the other provinces, so far as towns and cities not specially incorporated are concerned.[2] The question of special and general laws, however, has not yet become matter of public debate, though it is referred to in the Ontario municipal report for 1888. Mr. Wilcox, in his convenient book on *The Study of City Government*,[3] states that more than half the commonwealths of the United States require that cities be organized by general laws or forbid the legislatures to pass any special laws affecting city charters. With us the provincial legislature is unrestricted. In Ontario especially the comparative equality of the cities has favored the possibility and efficacy of general

[1] J. Roy Perry, Public Debts in Canada (University of Toronto Economic Studies, 1898), pp. 80–82.

[2] *Cf.* for Ontario, the Municipal and Assessment Acts of 1897; for British Columbia, Municipal Act of 1881; for Manitoba, Act of 1888; for Northwest Territory, Act of 1894; for Quebec, Act of 1888 and Municipal Code of Quebec, 1898; for Prince Edward Island, Act of 1870; for Nova Scotia, Act of 1895; for New Brunswick, Act of 1898 and amendments thereto.

[3] Pp. 87 *et seq.*

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laws, with the result that changes in the municipal law have usually been followed with widespread interest, and the dangers of political pressure and of what is known as "log rolling" have been correspondingly minimized. Where distinctions are made in the application of laws, population is usually the basis adopted. Toronto is the only city in Ontario that may be called of the first class — of 100,000 inhabitants and over. An expert on Ontario municipal law and legislation, Mr. C. R. W. Biggar, Q. C., late city solicitor of Toronto,[1] has proposed to strengthen the influence of such general legislation by lowering the limit of cities of the first class to 50,000. This is undoubtedly a wise suggestion. One or two voices have also been heard suggesting the granting of special charters to the cities. At some future date particular charters may be advisable, but for reasons sufficiently apparent from a study of our municipal development they are assuredly not called for now, nor for many years to come.

In the mean time, an important innovation, in line with recent American reform policy, has gained a footing in Canada by way of Toronto, where the responsibility and dignity of the mayoral office have been increased. The aim was to separate the legislative and the administrative functions of the city council, and to this extent to fix responsibility for municipal policy. This was done by constituting a so-called board of control, composed of the mayor and three aldermen chosen by plenary vote of the council.[2] This board has sole power to prepare and submit the estimates for the year. Its actions, however, are subject to revision by a two-thirds vote of the council. The mayor, in his capacity as chairman of the board, has besides his first vote a casting vote in event of a tie. He accordingly requires the support of but one other member of the board in

[1] Editor of The Municipal Manual (6th ed.).

[2] In Canadian cities there is but a single representative chamber. The number of aldermen varies from nine to twenty-six, the largest number obtaining in Montreal. Toronto has twenty-four in its council. The above Board of Control was introduced in 1897. Its adoption was at first limited to cities of 100,000 and over, but later extended to those of 45,000, the city of Hamilton being specially excepted.

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order to be practically supreme in the general policy of the city. Although many questions have been "referred back" to the board by the council, an adverse two-thirds vote has only lately been recorded. At the recent revision of Montreal's charter[1] the adoption of a similar system was proposed, and was only defeated in the legislature after a spirited effort. The charter, however, provides for a finance committee endowed with considerable powers. The committee is composed of seven of the aldermen, none of whom can be a member of another standing committee. It prepares the annual estimates and has the right to consider all recommendations involving financial outlay and the awarding of contracts. Its decision is subject to revision by a vote of three-fourths of the council. This partial centralizing of responsibility does not appear so far to have been particularly successful.[2] Whether the experiment in Toronto will have better results remains for the future to decide, as must be said of somewhat similar attempts in American cities, where "one-man power" is being essayed. It happens that the *personnel* of the board in Toronto has not always been such as to inspire full confidence on the part of the citizens. It was most probably a mistake to attach a slightly larger salary to the office of controller than to that of alderman. Either the additional sum paid to controllers should be materially increased and their office be made more of the nature of a commission, or the plan should be altogether abandoned.[3]

In the details of municipal administration in Canada, one or two matters invite attention. There is, in the first place, in some cities a certain indefiniteness in financial supervision over moneys received as taxes or from other sources, and, in the second place, a lack of system in the care of sinking funds.

[1] Assented to March 10, 1899. See Quebec Statutes, 62 Vic., c. 58.

[2] We may instance the recent conversion of Montreal bonds.

[3] An alderman in Toronto receives $300, or, if he is chairman of a committee, $400. A controller receives $700. The council is now proposing to the legislature to increase the number of controllers to four and to abolish the mayor's double vote. It is further sought to have the controllers elected by general vote of the electors and the number of ward aldermen reduced to eighteen.

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But, as regards financial supervision, conditions are not so serious as many surmises might lead one to imagine. Taxes and other city revenues are mostly paid by cheque; and it appears to be the practice in the great majority of our cities not to cash paper payable to the corporation, but to deposit it and draw money only on direct order from the city treasurer. In some localities, however, the treasurer's control over the tax collectors, it would seem, might be placed on a more effective basis than at present.

In the care of their sinking funds, the cities of Vancouver and Winnipeg stand apart, in having each a board of sinking-fund trustees. In each case the board consists of three members, two of whom are appointed by High Court judges. In other cities, so far as I have been able to learn, the sinking funds are controlled by the city treasurers. In their recent report, the auditors of the city of London, Ontario, suggest that city debentures might be better safeguarded by bearing a stamp to make them non-negotiable in the hands of persons who may become fraudulently possessed of them but available for sale in the open market. "The entire system of sinking-fund accumulations,"[1] they continue,—referring, of course, to their own city,—"needs revision, and, as far as similar results can be otherwise arrived at, should be superseded." They refer to the difficulty in financing the funds for quinquennial periods and conclude by a comparison favorable to the policy of issuing annuities. In Ontario such a policy has been followed for some time by the province, but has given rise to a good deal of unfavorable discussion, because of consequent indefiniteness in connection with the provincial debt. It is, accordingly, just possible that a proposal to introduce the system of annuities into municipal finance might not meet with popular favor. But the proposal, so far as it concerns sinking funds, and not general liabilities, should not be thus prejudiced.

[1] They have presumably in mind only the management, not the measures looking to the formation, of sinking funds; for in Ontario ample provision is made by general law for repayment of loans by means of sinking funds within specific periods, varying according to the nature of the loan from three to twenty years.

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As regards the control of municipal franchises, it is to be noted, in the first place, that there is a marked disinclination in Canada to direct municipal management of public works. Waterworks, however, form an exception, for in most Canadian cities these are owned and managed by the city. There are a few cities possessing electric-light plants as well, *e.g.*, New Westminster, Three Rivers, Windsor, and (until recently) Brantford. But, with these exceptions, the various city franchises are usually let as monopolies to private companies. With the growth of population and on the expiration of past contracts, the new franchises are being made to yield returns to the city, in the form of percentages on gross earnings. Hamilton, Ottawa, Toronto and Halifax, for example, receive such percentages from their street-railway companies; and up to a year ago Toronto received one from the local branch of the Bell Telephone Company.

The term for which franchises are granted varies. For electric lighting it is usually ten years, but Quebec's recent contract with the Montmorency Company is for the long period of thirty years. For street railways it is from fifteen to thirty years, the latter period obtaining, for example, in Montreal and Toronto. London's street railway franchise is an old one, running for fifty years, of which thirty have already expired.

The prices obtained by the cities for the monopoly privileges have, on the whole, been favorable. It is rather interesting to note, in this connection, that in their standards for such prices Canadians look rather to England than to the United States; yet, as a matter of fact, with the possible exception of telephone charges, their prices are nearer to the American than to the English. The rentals for business and residence telephones in Toronto are $45 and $25, respectively; in London a telephone license costs $10 (with a reduction to one or two professions, such as doctors and dentists), after which a small charge is made for each message; in Quebec a telephone costs $35 per year, or $75 for three years; the average cost in Montreal, where prices vary according to distance from a central district, may be placed at $55. In Toronto the price of gas is 90 cents

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per thousand feet; in Montreal it is $1.20 for lighting and $1.00 for cooking purposes; in London the net price is 94 cents; in Hamilton it has just been reduced to $1.00. The high price at which many of the enfranchised stocks are listed — some of the stocks, moreover, representing considerable "water" — goes to show the extremely healthy condition of the companies.

Although there is an inclination in several cities to exert a pressure on the prices fixed by enfranchised companies, — *e.g.*, in Toronto and Montreal on gas charges, — no very successful efforts have been made. In Toronto, where the Consumers' Gas Company has a perpetual charter and a present monopoly of the gas supply, an agreement was made some twelve years ago according to which the price of gas was to be reduced five cents per thousand feet when the reserve fund of the company had reached a certain figure. The experience of the city with the company, however, has proved but another illustration of the problems that arise in guarding public interests, even after the most careful legislation.[1] According to the report of the city auditor, the reduction in price since 1888 — namely, from $1.12½ to 90 cents — should have been considerably greater. Whatever the truth of the matter, the whole subject will probably have to be settled ultimately by the courts. At the time of writing, the cities of Ontario are up in arms against the now notorious "scrap-iron assessments," based upon recent revenue legislation. Under the interpretation adopted by the assessors, in fixing the valuation of the plant of street-railway, gas, telegraph, telephone and similar companies, their rails, mains, wires, *etc.*, are rated as "scrap." Through this proceeding the assessment in Toronto for the past year has been reduced by over three million dollars.

As to municipal debts, the total indebtedness of our cities has greatly increased of late years. But a concurrent reduction in the rate of interest from six and seven to four, three and one-half and three per cent has largely counterbalanced these advances. The amount paid as interest by the thirteen cities

[1] *Cf.* W. D. Gregory, "Toronto, A Municipal Study," *The Outlook*, February 5, 1898.

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of Ontario in 1895 was less than in 1891, although the gross debenture debt had risen from thirty to thirty-six millions, and the net debt from somewhat over twenty-five to twenty-seven and three-quarter millions. At the same time, it is worth remarking that in this province the gross debenture indebtedness of counties and townships has been steadily declining, that of villages slightly advancing, and that of towns which have a population of from 2000 to 10,000 rising more rapidly than that of cities. In general indebtedness Montreal stands first amongst the cities, with a gross debt on December 31, 1898, of twenty-six millions; Toronto second, with twenty-one and three-fifths millions, but with a sinking fund of nearly five millions. These debts are not extravagant for cities of their size, and the credit of both municipalities is high. The following table allows a survey of some of the largest city debts.[1]

	Year Ending.	Population.	Total Debenture Debt.	Floating Indebtedness.	Sinking Funds.	Taxation per Head.
The 13 cities of Ont.	31 Dec. '96	430,940	$37,471,230	$3,029,596	$6,831,025	$11.98
Toronto, Ont. . .	31 Dec. '96	183,172	21,775,145	1,650,123	4,917,983	15.30
Ottawa, Ont. . . .	31 Dec. '96	53,727	3,378,245	607,046	1,002,907	9.08
Hamilton, Ont. . .	31 Dec. '96	50,035	3,636,773	140,886	113,421	10.74
London, Ont. . .	31 Dec. '96	36,224	2,446,961	199,902	189,523	10.13
Montreal, Que. . .	31 Dec. '98	260,000*	23,744,401	2,273,010		
Quebec, Que. . .	30 Apr. '98	65,000*	6,940,033		278,848	
Sherbrooke, Que. .	15 Dec. '98	10,470	497,000			
Winnipeg, Man. .	30 Apr. '98	38,733	3,235,874			
St. John, N.B. . .	31 Dec. '98	26,000*	3,516,492	835,719	345,417	
Halifax, N.S. . .	31 Dec. '98	40,000	1,834,788	24,957		
Victoria, B.C. . .	31 Dec. '96	19,000	1,804,000		314,298	
Westminster, B.C.	31 Dec. '96	7,500 *	995,000	97,261	70,000	
Vancouver, B.C. .	31 Dec. '96	20,000*	2,003,100	9,702		

[1] The figures are obtained, in the case of Ontario cities, from the reports of the Ontario Bureau of Industry, 1897, Pt. v, pp. 25, 114; in the case of Westminster and Vancouver, from the report of the Bureau of Statistics, 1896, pp. 960, 961; and for the rest from city reports.

* Estimated population. On December 31, 1898, the indebtedness of the above-named four cities of Ontario was some $962,000 less than at the close of 1896. The population of Toronto, as given, is probably too low by about 10,000.

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An analysis of these debts shows that almost all have been incurred for local improvements and other necessary public works. Waterworks and education are two of the largest items. The Ontario Municipal Commission of 1888 make the statement that expenditure per head and unit of wealth is less in Canadian cities than in the cities of the United States. But such general comparisons are certainly of little value. For the general success of city government it is, of course, to the stamp of men commanding that we must look — the city aldermen and the heads of departments.

In most cities two unnecessary obstacles exclude many able men from the council. First, the losses and annoyances incidental to too frequent elections. Usually the mayor is elected annually by popular vote. An exception is Quebec City, where he is chosen from among the aldermen by a majority vote of the board, while in both Montreal and Quebec he holds office for two years. The aldermen are, as a rule, elected also for one year. In Halifax, however, their term is three years, one-third retiring annually; in St. John's, Newfoundland, two members of the council are appointed by the Governor-in-Council, and three elected by the ratepayers, all to hold office for three years. In Montreal and Quebec, in the two cities of Manitoba and in Vancouver, the aldermen sit for two years. But these instances are only a fraction of the total number of cities. A desirable general reform would be for all Canadian cities to increase the term of office of their mayor to (say) two years. As a matter of fact, in cities where the office is an annual one, it has almost become custom to reëlect a mayor, in order to allow him opportunity to develop his policy. As regards the council, the Halifax plan of electing aldermen has many features to commend itself.[1]

[1] In Ontario, during the last few years, many towns have abolished the ward system and adopted that of general representation. Last January advocates of the latter system succeeded in obtaining its adoption in one or two of the cities as well. There is certainly some ground for dissatisfaction with the present ward representation; for in nearly all Canadian cities the wards are quite too numerous. St. John, New Brunswick, it may be mentioned, has a combination of the two systems, in that one alderman is elected to its council by each ward and two aldermen by the whole city.

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The second obstacle is the lack, in the vast majority of cases, of any fixed tradition of professional independence on the part of the chief municipal officials. Constant interference of aldermen in departmental routine cannot, in the long run, be other than extremely harmful to departmental work. At the same time, the increase in aldermanic duties that such a policy inevitably leads to deters desirable men from seeking service in the council. The demand on the time and attention of city representatives should not be unduly heavy. Municipal administration is, after all, mainly a technical task; and Canadian cities still require to insist upon greater independence and responsibility on the part of departmental heads. With this should be associated a much more complete system of reports from each department than at present.

On the whole, however, though perfection is not written across the face of city organization or administration in the Dominion, the basis of city government in Canada must be said to have been "well and truly laid." The conservatism of the urban franchise; the healthy homogeneity of city population, which the future will probably not affect to the same extent as in the United States; the general policy with regard to municipal patronage and the consequent absence of party politics in city elections; and, finally, the efficacy of "conservative innovations" and gradual growth and expansion of municipal legislation — these are features whose importance cannot be lost sight of. The phrase, "the one conspicuous failure," which Mr. Bryce, in speaking of governmental conditions in the United States, attaches to the government of cities in that country, will certainly not be applied to municipal government in Canada. And, though there are many problems yet to be solved, concerning the relations of province and city and matters more immediately affecting the details of municipal organization, the future of Canadian city government — which is itself becoming more and more uniform — is particularly promising.

S. Morley Wickett.

Toronto, Canada.

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THE COMPLEXITY OF AMERICAN GOVERNMENTAL METHODS.

"LIFE, liberty and the pursuit of happiness" formed the foundation stones of the American government. For these rights our ancestors fought, bled and died. To secure and transmit them to posterity intact and undiminished the federal Constitution was framed. To maintain and extend them a great civil war was fought. At the beginning these privileges were restricted: they were denied to the black man and the Indian, and within certain limitations to those white men who did not possess the electoral qualification. Moreover, these inestimable and "inalienable" rights, as the Declaration of Independence described them, were primarily intended only for those who were represented in the adoption of the Constitution and for their descendants. In 1811, Congressman Josiah Quincy defined this position in clear and unmistakable terms. Discussing the bill for the admission of Louisiana, he said:

It is my deliberate opinion that if this bill passes, the bonds of this Union are virtually dissolved; that the states which compose it are free from their moral obligations; and as it will be the right of all, so it will be the duty of some, to prepare definitely for a separation, — amicably if they can, violently if they must. . . . This Constitution was never constructed to form a covering for the inhabitants of the Missouri and the Red River Country, and whenever it is attempted to stretch it over these, it will be rent asunder. . . . Why, sir, I have already heard of six states and some say at no great distance of time, more. I have also heard that the mouth of the Ohio will be far to the east of the center of the contemplated empire. . . . It was not for these men that our fathers fought, it was not for them this Constitution was adopted. You have no authority to throw the rights and liberties and property of this people into the hotchpot with the wild men of the Missouri, nor with the mixed, though more respectable race of Anglo-Hispano-Gallo-Americans, who bask on the sands in the mouth of the Mississippi.

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The Constitution, with its ample guaranties of the most substantial liberties, has been extended, however, to the Red River Country, to the Missouri, to Florida, to the Pacific Coast and to the Gadsden purchase; and our country is greater and stronger and more united than ever. So successful has our experiment been, and so inexorable the events indicating the destined course of a free country, that we are now engaged in extending these privileges and liberties, not only to the islands of the sea at our doors, but to those in the far distant southern ocean.

Nor have we been content merely to extend them to new territory: we have extended them to new and larger classes of persons within the old domain. In 1857 the Supreme Court of the United States formally declared, in the Dred Scott decision, that the words

"people of the United States" and "citizens" are synonymous terms and mean the same thing. They both describe the political body who, according to our republican institutions, form the sovereignty and who hold the power and conduct the government through their representatives. They are what we familiarly call the "sovereign people" and every citizen is one of this people, and a constituent member of this sovereignty. The question before us is, whether the class of persons described in the plea in abatement [the negroes] compose a portion of this people, and are constituent members of this sovereignty. We think they are not, and that they are not included, and were not intended to be included, under the word "citizens" in the Constitution, and can therefore claim none of the rights and privileges which that instrument provides for and secures to citizens of the United States. On the contrary, they were at that time considered as a subordinate and inferior class of beings, who had been subjugated by the dominant race, and whether emancipated or not, yet remained subject to their authority, and had no rights or privileges, but such as those who held the power and the government might choose to grant them.[1]

In short, the black man had no rights which a white man was bound to respect.

It required a civil war to change this doctrine; and on July 21, 1868, Congress declared that the Fourteenth Amendment to

[1] 19 Howard, 393.

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the Constitution of the United States had been adopted. This provided in express terms that

> all persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States, and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law.

Two years later, the work of extension was completed in the adoption of the Fifteenth Amendment, which declared that

> the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color or previous condition of servitude.

After the adoption of these amendments, embodying the issues determined by the arbitrament of arms, there was a disposition to restrict their application to the negro race, the Supreme Court expressing a doubt as to whether any discrimination not directed against the negroes as a race would ever be held to come within their provisions.[1] This interpretation, however, has not been followed, and there is now no serious disposition to deny that the broad terms of the amendments should be broadly construed.

The extension of these fundamental rights of life, liberty and the pursuit of happiness to ever-increasing stretches of territory and to ever-increasing classes of persons has been accompanied by a general acquiescence in and acceptance of them by the people. They have become completely incorporated into our political structure and our political ideas, and no amendment or change of government could effectually deprive us of them. The Anglo-Saxon never abandons a political right for which he has fought and bled. One by one he has incorporated in the body of his political ideas these rights and privileges which have in turn become inalienable. The Bill of Rights has grown in length, not diminished; it has been increased in application, not restricted.

[1] Slaughter House Cases, 16 Wallace, 36, 81.

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Our forefathers, to protect and conserve the liberty they had won, were careful to surround it with many safeguards. To prevent its dissipation, they introduced into our form of government an elaborate series of checks and balances, which John Adams described and enumerated to be: (1) the states against the general government; (2) the House of Representatives against the Senate, and the Senate against the House; (3) the executive (in a degree) against the legislature; (4) the judiciary against the legislature, the executive and the states; (5) the Senate against the President in the matter of appointments and treaties; (6) the people against the government through frequent elections; (7) the legislatures of the states against the Senate through the election of senators; (8) the electors against the people through the election of President and Vice-President.

Direct action on the part of the people or of any governmental body must have been regarded by the founders as dangerous; otherwise, why, for example, combine in the lawmaking authority a President elected every four years by means of an electoral college, a House of Representatives elected by the people direct for two years and a Senate with members elected for six-year terms by state legislatures? Could a more ingenious device have been contrived to divert the public will and divide responsibility? Democracy in its baldest terms is a government directly by the people. What of democracy is there in a form of government which assigns a governmental function like legislation to three such dissimilar organs as those mentioned?

Again, unless direct action be regarded as of questionable value, why interpose an electoral college between the voters and the selection of the chief executive, or why elect United States senators by the state legislatures? There has been a gradual breaking down of the profound distrust of the people which made the enactment of such electoral provisions possible; but the inactivity imposed on the people by the Constitution has almost unfitted them for the exercise of governmental powers. The man who persistently neglects or refuses to use his arm soon loses the power to use it. So that community which neg-

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lects or refuses to exercise the powers of self-government may forget how. Democracy, in the sense in which I have used it, has not failed in America, because it has not been tried.

Our several states, now forty-five in number, have closely followed the federal plan, with but few local modifications. Practically all the checks and balances are preserved. We find the same distrust of direct action, the same distrust of the electors and, in later constitutions to an increasing degree, a distrust of the officials elected. In short, we have an elaborate system of prohibitions, in place of a fundamental declaration of essential principles. Our cities, now numbering many hundreds, have followed in the same footsteps. The "federal" plan is still the most popular one. Checks and balances and distrust of direct action are conspicuous. There has been an almost universal fear lest some official in city, state or nation might have unrestricted power to do something, and that the possession of such power might be attended by dire results to some one.

The consequence of all this is that the American political mind, which, notwithstanding the history of our written constitutions, both state and national, works directly toward its object, has devised the system of responsible party government and has created the party leader, or boss, who does exercise power, who does do something. He is responsible, however, to only a small proportion of the community; and herein lies the danger of the situation. In other words, the complexity of our governmental methods, devised in the first instance to protect our liberties and to prevent their sudden invasion, has produced official irresponsibility and has made the creation of a responsible extra-official organization, or machine, a necessity.

The checks and balances of the federal Constitution were not the only safeguards, so called, with which life, liberty and the pursuit of happiness were buttressed about. Provision was made for frequent elections and for a multiplicity of elective offices, to which was added the doctrine of rotation in office, in city and state as well as in national affairs. Care was taken that no loophole should be left for an aristocracy of officeholders or for the development of a dictator. Long terms and frequent

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reëlections, it was thought, might be conducive to efficiency; but they would certainly be subversive of liberty and therefore must be forbidden. Continuity of policy was esteemed of secondary importance. Governors and mayors were accordingly forbidden by express provision from succeeding themselves; and the unwritten Constitution of the United States — for we have an unwritten Constitution — forbids more than one reëlection for a President. The provisions designed by the founders of the republic to perpetuate their hard-won privileges were imbedded in a written Constitution, made as permanent in form and as difficult of amendment as possible.

The makers of state constitutions religiously followed this precedent. These instruments were made as unyielding and as unchangeable as possible. Rigidity was made of prime importance, on the principle that that institution and that community are best off and most to be envied which are most stationary (if I may compare an absolute term). Rigidity, the object of the founders of our federal and state governments, is based on distrust of the people and has contributed to the complexity of our methods.

If the people of the state of Pennsylvania, for example, desire a change in their fundamental law, the amendment must be passed by a majority of the members of both houses of the legislature, advertised in every county in the state, repassed by the majority of the members of the next succeeding legislature, again advertised, and then submitted to the people at the following general election for approval or rejection. This process involves several years of time, a long and constant agitation, a campaign in every district for the election of candidates favoring the amendment, and then a campaign before the people directly on the merits of the issue — a task of such proportions as to make the stoutest-hearted pause.

There is at the present time in Pennsylvania a demand for the personal registration of voters as a preventive of election frauds; but this cannot be obtained without a change in the present constitution, which expressly provides that no elector shall be deprived of his right to vote because his name has not been registered.

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To attain the end desired a constitutional amendment is first of all necessary; but before it can become operative such an amendment must go through all the stages mentioned and, if the contention of the governor of the commonwealth is correct, it must go through one more — namely, submission to him for approval or disapproval. This claim has been disputed and is in the courts for determination; but, in any case, the task is by no means completed when we have secured the amendment. So far the door has only been opened for legislative enactment. The act necessary to establish the system in its full detail must then be passed through the legislature in the manner prescribed by the constitution.

Cities, like the states, are subject to rigid statutory requirements. Instead of vesting in our cities the requisite general powers to enable them to settle their own difficulties and solve their own problems, we have made them dependent upon state legislatures for their slightest needs. Suppose Philadelphia should desire to rearrange her ward lines on some equitable basis of population made necessary by new conditions. While it can increase the number of wards by subdivision, it cannot combine wards or rearrange ward lines. This is peculiarly a local matter — one which the people of Philadelphia and they alone can satisfactorily determine; and yet, for any needed change in this direction, Philadelphia must go to the Pennsylvania legislature, where the representative from Cameron County, with 7238 inhabitants, has the same vote and influence as a Philadelphia member.

Municipal affairs, it is maintained, must be considered separately and apart from state affairs; but see how difficult of accomplishment this is. The same legislator who passes upon questions of state policy is called upon to determine matters of purely local concern. The same legislator may also have to vote for a United States senator, and thus national issues are brought into the consideration of state affairs. Efficiency requires a separation of national, state and municipal affairs, one from the other; but our policy in the past has been to combine them in such a way that the most pernicious features of party

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government have been fostered and developed — indeed, almost made necessary to secure direct, immediate results.

The American, in ordinary matters, likes directness. In business, industrial and social affairs he comes straight to the point; and so he does, for that matter, in political affairs, except in his written constitutions. In these he still worships at the shrine of complexity and indirection. He has found a way out of the maze of his own theories, however, and through the medium of political parties carries out his intent and purposes with little loss of personal energy. Yet to secure his immediate ends quickly he pays a great price, which is exacted to the last farthing. Practically he surrenders governmental functions to the political party organization, in exchange for direct action on a few subjects of commanding importance. This practice has been so persisted in that party success and supremacy have come to be considered as the ends, rather than as the means to an end.

We rail against bosses, and we denounce party organization, as if that would avail; while we overlook the direct cause of the whole trouble — the complexity of our methods. How is a voter, who is called upon to vote for candidates for twenty-two offices at a single election, to exercise that care and caution which a conscientious citizen should exercise? Yet this was what each elector in one division was obliged to do at the February (1900) election. He had to vote for ten magistrates, whose duties are judicial; for one select and three common councilmen, whose duties are legislative; for three directors of the public schools, who are charged with regulating the schools of the ward and selecting the teachers and the janitors; for a registry assessor, to make a complete list of all the qualified voters in the district; and for a board of three election officers, to receive and count the votes at the next two elections. For these offices the voter had thirty-two magisterial candidates to choose from; three candidates for the select and eight for the common councilmen; five candidates for school director; two candidates for assessor; two for election judge and three for election inspector — in all, fifty-five candidates, concerning whose merits and qualifications

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it was incumbent upon the voter to inform himself. Yet this was an "off year."

In the November election of 1898 the same voter was confronted with a still more serious task. He had to select a Governor and a Lieutenant-Governor of the state to serve four years; a secretary of internal affairs, also to serve four years; two judges of the Superior Court, to serve for ten years each; two Congressmen-at-large; one district Congressman; two representatives in the General Assembly; two judges of the Orphans' Court; a district attorney; a controller; a recorder of deeds; a coroner and a clerk of the Court of Quarter Sessions. There were four candidates for Governor; five for Lieutenant-Governor; six for secretary of internal affairs; six for judge of the Superior Court; eleven for Congressmen-at-large; three for district Congressman; five for representatives; two for judges of the Orphans' Court; three for district attorney; five for recorder of deeds; four for controller; five for coroner; and five for the clerkship of Quarter Sessions — in all, sixty-four candidates for judicial, executive and legislative offices and representing national, state and local issues. Is it strange that the average voter accepted the judgment of his party organization and voted for his party ticket without question, instead of investigating the claims and fitness of each of the sixty-four candidates. It was only natural that he should substitute his party's judgment for his own, as it was practically impossible for him to exercise wise discrimination where so many offices and candidates were involved.

Once agree, however, to surrender your judgment to the party and you make the boss possible; for by a further refinement of complexities he possesses himself of the party organization, and then he is in a position to dictate his own terms and defy successful competition for years, if he does not overreach himself. Should he become too arrogant or ostentatious in the exercise of his power, which is likely to happen in time, he will in all likelihood bow his head to the storm and allow it to pass over. Then he, or another like him, is ready to pursue his old practices of giving to the politically lazy and negligent an oppor-

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tunity to secure what they feel at the time they need the most, while he takes all the rest — and that is no small amount.

We still maintain, however, that we must afford no opportunity for the creation of a dictator; that there must be frequent change in office and a multiplicity of offices, to prevent the formation of an aristocracy of officeholders; and that we must surround our legislatures with abundant safeguards, lest our liberties be filched away. Consequently, we play directly into the hands of the worst sort of a dictator — an unofficial one. Let us, if necessary, officialize our dictator. Let us recognize that concentration is the order of the day and essential to efficiency. Let us recognize that direct action is better than indirection, and then change our laws and constitutions accordingly.

At present it seems as if nothing short of an overwhelming universal demand, which is to all intents and purposes impossible, or a successful revolution can effect changes in our fundamental law; but why should the majority, if it be a substantial one, be compelled either to wait until every one in the community is convinced of the need of a change, or to resort to force of arms to secure it? On this point Burgess pertinently says:

> When I reflect that, while our natural conditions and relations have been requiring a gradual strengthening and extension of the powers of the central government, not a single step has been taken in this direction, through the process of amendment prescribed in that article [Art. V of the Federal Constitution], except as the result of civil war, I am bound to conclude that the organization of the sovereign power within the constitution has failed to accomplish the purpose for which it was constructed. . . . To my mind, the error lies in the artificially excessive majorities required in the production of constitutional changes. According to the census of 1880, it was possible for less than 3,000,000 of people to resist successfully more than 45,000,000 in any attempt to amend the constitution under the present process. The argument in favor of these artificial majorities is that innovation is too strong an impulse in democratic states, and must be regulated; that the organic law should be changed only after patience, experience and deliberation shall have demonstrated the necessity of the change; and that too great fixedness of the law

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is better than too great fluctuation. This is all true enough, but, on the other hand, it is equally true that development is as much a law of state life as existence. Prohibit the former and the latter is the existence of the body after the spirit has departed. When in a democratic political society, the well-matured, long and deliberately formed will of the undoubted majority can be persistently and successfully thwarted, in the amendment of its organic law, by the will of the minority, there is just as much danger to the state from revolution and violence as there is from the caprice of the majority where the sovereignty of the bare majority is acknowledged. The safeguards against too radical change must not be exaggerated to the point of dethroning the real sovereign.[1]

We must become accustomed to the idea that we can walk without crutches in political affairs. As we have so long had checks and balances, elaborate methods of amendment and various other complex devices, we feel that they are of the very essence of our liberties and that any departure from them would be sacrilege and fraught with serious consequences to ourselves and posterity. Yet England, whose political heritage we share, has long since abandoned the checks and balances which we copied and still retain, and has maintained a Bill of Rights equal to our own without the intervention of elaborately written documents. Parliament is both the lawmaking and the constitution-amending body. A simple majority of the two Houses of Parliament is sufficient to enact the necessary legislation upon subjects of constitutional law, such as the form and construction of the government, the character and extent of the suffrage and the general principles of liberty. Students recognize that Englishmen have preserved and extended their liberties as successfully as Americans, and in many instances more expeditiously. The former is as jealous of his rights as the latter and as tenacious of them. The case of England is cited, however, not necessarily for the purpose of urging that we follow her example and adopt her practices in their entirety, but simply to show that the priceless heritage of Anglo-Saxon freedom and liberty can be conserved without resorting to the complexities adopted in this country, which have so developed in

[1] Political Science and Comp. Const. Law, I, 151–2.

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certain directions as to obstruct the very ends which they were designed to foster.

The case of England also proves that, where directness of action is substituted for indirectness and simplicity for complexity, the party machine and the party boss in the American sense have no chance for growth or development. The legitimate political leader has ample field for activity; but the party boss has little or none, because there is little or nothing concerning the government and its general conduct which the voter, with the exercise of average intelligence and ordinary prudence, cannot himself determine. The English voter expresses his views on national questions when he votes for a member of Parliament, and on local matters when he votes for aldermen. He is not called upon to exercise his judgment in the selection of clerks of the court and secretaries of internal affairs and recorders of deeds. These are clerical positions, and he no more considers it his duty to select them than he considers it a part of his duty to select the multitude of clerks in the Home or Foreign Office.

The American system was undoubtedly a necessity at the time of its adoption. The makers of our Constitution foresaw in their wisdom that they were building for a nation destined to become the refuge of the oppressed of all lands; that a welcoming hand would be held out to all such to make their home here, to cast their lot in with ours and to take part in the conduct of the government. If they had been building for a homogeneous people, they could perhaps have devised a more mobile constitution; but they were not. They must have foreseen that the time would come when some would take part in this government who had had no heritage of liberty and freedom of political training, and that to these the United States would have to give both. This it has done. It has welded heterogeneous elements into a political entity; and, while there may be differences of opinion as to details, as there will always be, and while there may be vigorous discussion as to the application of principles to concrete cases, there is none to raise his voice in derogation of the general principles of liberty, or to deny

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the guaranties of life, liberty and the pursuit of happiness to all.

Nevertheless, the safeguards have become master. We have made them the end sought for, instead of the means to an end. We have failed to change our emphasis with changing conditions, or to take note of the transformation of our political conditions. It is as if we should maintain our army, our navy and all our fortifications on a complete war footing for years after peace had been declared. The question of our liberties has been settled and determined. Our government is no longer an experiment. We are now in a position where we can turn our attention to other problems, the most important of which is that of efficient government. Constitutional reform, civil-service reform, ballot reform, municipal reform are the questions to be considered now, and are everywhere under discussion. It was not until after the Civil War that these subjects were even mentioned, and it has only been within the last decade or two that they have come into prominence; but now they are in the forefront, and they cannot be pushed aside or relegated to the rear until they are settled. Efficiency is of the first consideration in business affairs; it must be first in political affairs.

There is no ground for hopelessness as to the outcome, unless the American people lose their interest in public questions and relax their vigilance; and there is no evidence that they have done either. On the contrary, we find on every side a keen interest in the problems of efficiency and a rapidly increasing number of organizations designed to create a sentiment in favor of better government. A people alive to its problems and actively seeking their solution need not despair.

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THE POLITICS OF ARISTOTLE.

I. *Method and Character of The Politics.*

THE capital significance of Aristotle, in the history of political theories, lies in the fact that he gave to politics the character of an independent science. He differs from his master, Plato, much more in the form and method than in the substance of his thought. Most of the ideas which seem characteristically Aristotelian are to be found in Plato.[1] But the Platonic expression of them is generally suggestion or allusion or illustration; while in Aristotle they appear as definite, clean-cut dogmas, bearing an unmistakable relation to the general system of scientific doctrine. This contrast is rooted in the respective intellectual peculiarities of the two philosophers. Plato is imaginative and synthetic; Aristotle is matter-of-fact and analytic. Ideas present themselves to Plato more through metaphor and analogy; to Aristotle more through the processes of exact logic. Plato is more impressed by the unity pervading phenomena; Aristotle, by the diversity. In ethics and politics, accordingly, while Plato, working deductively from his philosophic conceptions of virtue and the good, blended inextricably the two bodies of doctrine, Aristotle, proceeding by extensive observation and minute analysis of objective facts, marked out for each science an independent field.

The foundation of his political theory was laid by Aristotle in a detailed study of practically all the existing governmental systems, both Hellenic and barbarian. More than one hundred and fifty polities are said to have been embraced in a work which is quoted in ancient literature as *The Constitutions* (*αἱ πολιτεῖαι*). Of these the only one known at present by more

[1] Susemihl notes seventy-two places in The Politics that are paralleled to a greater or less extent in Plato. — Aristoteles Politik (Leipzig, 1879), Introduction, p. 11, note.

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than slight fragments is the recently discovered *Constitution of Athens*.[1] From this it is clear that the author studied governments both in their history and in their contemporary working, and that his method was in the fullest sense objective and scientific. In his systematic work, *The Politics*, Aristotle draws abundantly from the great store of facts accumulated in *The Constitutions*. It is not exact, however, to say that the principles of *The Politics* are strictly generalizations from these facts. To a less extent than Plato, but yet to a very great extent, Aristotle depends for the categories and broad outline of his philosophy upon the ideas that characterized contemporary Hellenic thought. The results of his study of other ages and other peoples are employed more in the correction and illustration than in the foundation of his political science. His method is inductive, but not purely inductive. The intimate relations which he enjoyed with the half-barbarian court of Macedon[2] seem never to have moved him from the conviction that in the pure Greek society and government was to be found the political ideal. That Aristotle, while not like Plato idealizing, nevertheless was often determined in his philosophy by an ideal, will appear clearly enough in what is to follow.

The creation of an independent science of politics by Aristotle was accomplished by the disentanglement of political from ethical conceptions. In Plato's thought the two were completely blended. The separation effected by Aristotle was not so much the conclusion of a deliberate logical process as the unconscious outcome of the analytic method which he applied with such rigor to the solution of ethical problems.[3] Rejecting Plato's conception of a single universal abstract "good," Aristotle considers that "good" is relative to each species of being. What, he asks, is the science which treats of the highest "good" of man? His answer is: political science. For the good of man is the perfect development and activity

[1] *Cf.* Aristotle on the Constitution of Athens. Translated, with introduction and notes, by F. G. Kenyon. London, George Bell & Sons, 1891.

[2] His father was court physician to King Amyntas, and he himself was the tutor of Alexander the Great.

[3] Grant, The Ethics of Aristotle, I, 335.

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of all the powers that are in him, and this result is impossible to the individual without the association of his fellows — that is, without the πόλις. Therefore, the good of the individual is merged in that of the state. But the state he conceives as αὐτάρκης, or self-sufficing — that is, as dependent on no more ultimate form of being for the realization of the good which is its end. Therefore the science of the state, politics, is the dominant, "architectonic" science, embracing within itself, as a part, that which treats of man as an individual.

From the abstract point of view, thus, ethics is a subdivision of politics. But Aristotle's treatment of ethics never partook so much of abstract and ultimate philosophy as of practical wisdom. The principle of morality which he consistently set forth was that of a rational choice of the mean between two extremes of conduct.[1] The application of this principle involved the fullest recognition of human free will and led Aristotle often to ascribe to the self-conscious, rational intelligence of the individual the character of self-sufficiency which he had ascribed to the state. Thus, from the practical point of view, at least, ethics was impressed with the character of an independent science. But Aristotle himself was not clear at this point. He often refers to ethics as politics, sometimes intimates that the two are distinct, and in at least one case seems to refer to ethics as a different science.[2] His uncertainty is illustrated also in the repeated consideration in *The Politics*[3] of the question whether the virtue of the good citizen is the same as that of the good man. His conclusion seems to be, after much vacillation, that the answer is negative in the practical, but affirmative in the ideal or perfect state. Other evidence unites with this conclusion to indicate that Aristotle conceived of politics in a double sense: first, with Plato, as a pure science (σοφία), concerned with the absolute good of man and the absolute perfect state; second, as a practical science

[1] For a charming exposition of Aristotle's Ethics, see Janet, Histoire de la Science Politique, I, 103 *et seq.*

[2] The Politics, VII, i, 13, ἑτέρας σχολῆς. The peculiar usage of σχολῆς here has caused the passage to be suspected. *Cf.* Susemihl, note 709.

[3] III, iv; v, 10; xviii, 1. IV, vii, 2. VII, xiv, 8.

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(φρόνησις), treating of the constitutional and legal relations of actual men in actual societies. In the order of thought, then, politics in the first sense would be prior both to ethics and to politics in the second sense: pure political science would embody the abstract theory of which ethics and practical political science would be two distinct applications.[1] While such seems to have been the thought of the philosopher, his treatment of politics, at least in the works that have come down to us, was almost exclusively, like that of ethics, on the practical side. Hence, whether or not he fully realized the outcome of his work, the separation of the two sciences was definitely accomplished. The abstract ideal politics, in which the norms of individual and social excellence were identical, received only scanty attention and exercised little influence on later thought. But the keen, cold analysis to which he subjected the forms and motives of practical social and political activity gave to reflection on this subject an individuality, a mould and a technique that it was never again to lose.

In the Aristotelian works on ethics are to be found expositions of many of the principles which lie nearest the border line of politics. Justice is defined, and the distinction between distributive and corrective justice, already noticed by Plato, is carefully worked out.[2] The relation of justice to law is examined, and natural (τὸ φυσικόν) is marked off distinctly from legal right (τὸ νομικόν). Equity also (ἡ ἐπιείκεια) is clearly defined as corrective of law. But it is in *The Politics* that the full and rounded exposition of these principles is to be found, as applied in the operations of state life. There are indications that this work embodied originally a comprehensive and well-proportioned plan. As the treatise has come down to us, however, the plan is far from clear and the execution is confused and defective. The text abounds in repetitions, contradictions, obscurities and obvious gaps. This result is probably due, not only to accidents and errors in the transmission of the

[1] *Cf.* Nichomachean Ethics, VI, 8, and the note of Grant, *op. cit.*, II, 169. In the Rhetoric, I, 4, 5, Aristotle uses the expression ἡ περὶ τὰ ἤθη πολιτική, which is very significant.

[2] Nichomachean Ethics, Bk. V.

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manuscript through the centuries, but also to the fact that the work never received a final revision by its author. The difficulty of ascertaining Aristotle's views has further been increased by the very zeal of the modern commentators, who, with the praiseworthy purpose of making the philosopher's work worthy of his reputation, have emended, conjectured, transposed, elided and inserted with an energy and a diversity that leaves the reader only the impression of hopeless confusion. But without radical editing the treatise as it stands, with all its imperfections, is as impressive an embodiment of scientific genius and political insight as is the mutilated Vatican torso of the sculptor's art.[1]

II. *The Nature of the State and of the Household.*

In the first book of *The Politics* the philosopher sets forth the fundamental characteristics of the state (πόλις). It is an association — an association of human beings — and the highest form of human association. In the order of time it is preceded by the household (οἰκία) and the village (κώμη); in the order of thought it is prior to both. The household has its source in the association of male and female for the propagation of the race and the association of master and slave for the production of subsistence. The village has its source in the association of households for the better satisfaction of their wants. The state springs from the union of villages into an association of such size and character as to be self-sufficing. It is the last and the perfect association. Originating in the bare needs of living, it exists for the sake of complete life.[2] And because the individual can fulfill the end of his existence — can live a complete life — only in the state, Aristotle

[1] The most annoying form of editorial modification is that which consists in transposing the order of paragraphs, chapters and books. No reference can be good for more than a single one of the really erudite editions of The Politics. Without any reference to the relative merits of the various arrangements before the world, I have followed here the order of Jowett, The Politics of Aristotle (Oxford, 1885), to which all references have been made to apply.

[2] No mere translation can express all that is contained in the famous dictum of Aristotle: "Γινομένη μὲν τοῦ ζῆν ἕνεκεν, οὖσα δὲ τοῦ εὖ ζῆν."

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declares that man is by nature a political animal.[1] This dogma leaves no room for such discussion as has figured in later political theory, of a "state of nature" in which the individual lives a life of blissful isolation from his kind. The being who cannot live in association with his fellows, or who has no need to do this, is, Aristotle says, either on the one hand, a beast, or on the other, a god. There is no place in the philosophy of human phenomena for the consideration of such a being.

This conception of the state in its essential character does not, however, preclude the investigation of the less ultimate forms of association which prevail among men. Historically the πόλις was preceded by conditions in which the household, ruled by the patriarch, was the typical community. In this fact is to be found the explanation of the monarchic government of the earliest states; for the primitive king merely retained through custom the authority of the patriarch. But Aristotle insists that this historical relation of household to state must not be allowed to distort our conception of their logical relation. It is one of his numerous charges against Plato that the latter represented the state to be merely a large household and the ruler of the state to be essentially the head of a family. Such a conception Aristotle holds to be false; state and household differ, not in degree, but in kind. To prove this he enters upon an exhaustive analysis of the household, in the course of which are set forth the philosopher's views upon many of the fundamental questions of economics.[2]

The main argument is summarily as follows: The household consists of an individual holding dominion over wife, children and property, including slaves. The relation of the head of the household to these three elements is not one, but various. He rules the wife, not as absolute despot, but as constitutional adviser; he rules the children not as absolute despot, but as the king, who looks to their good rather than his own; while

[1] Ἄνθρωπος φύσει πολιτικὸν ζῷον. "Nature" here means, as Aristotle explains, that condition in which all potentialities are fully developed — where everything fulfills its τέλος, or true end. He sometimes uses "nature" in the sense of primitive or undeveloped condition.

[2] The science of the household he designates *οἰκονομία*.

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property, both slaves and other, he rules in full despotism, for the exclusive advantage of himself. In this manifold relation of the head of the household to the subordinate elements lies the essential distinction between the household and the state; for in the latter, according to Aristotle, the relation of the ruler to each of the citizens is precisely the same.

This argument, in itself, is not especially striking; it adds nothing to the force of the distinction made in the primary principle, that the household exists for the sake of the physical needs of life, the state for the moral and intellectual needs. But the detailed discussion of the nature and the function of the various elements of the household embodies much that is of high significance in social and economic history and theory. At the very outset he is confronted by the necessity of finding a rational justification for slavery. The slaves constitute one of the natural elements of the household, as he analyzes it. "But some contend," he says, "that the distinction between slave and freeman is a fact only of law and not of nature, and that it is rooted not in justice but in violence."[1] To meet this contention he presents the first scientific discussion of the institution in extant literature. He concedes that the relation of master and slave is rational, only if it corresponds to some universal principle of nature. Such a principle is that which requires the combination of command and obedience for the attainment of any human purpose. Men differ from one another in capacity for the one or the other of these functions. There are those whose high endowment of reason fits them to command and direct; there are those whose slight endowment fits them only to comprehend and carry out orders. The former are by nature masters; the latter are by nature slaves. Intellectual strength is the chief characteristic of the former; physical strength, of the latter. The combination of the two is essential to the realization of those purposes for which the household exists; therefore slavery is in accordance with nature. Aristotle is quite aware that the actual institution does not correspond to this rational foundation. He admits

[1] I, iii, 4.

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that in fact many slaves are superior to their masters in intellect. This, however, does not affect the reasoning; it is more or less accidental, due in some degree to the absence of any clearly discernible outward mark by which the natural slave is to be distinguished from the natural master. The common practice of enslaving prisoners of war, Aristotle points out, can find justification only so far as the fact of success in battle can be taken as evidence of the superior intellectual endowment of the victors; but a judgment on this point is subject to many qualifications. Finally, the principle he lays down is the logical foundation of the widespread feeling among the Greeks that they ought to hold in slavery only persons of other races; for the inherent intellectual superiority of Hellenes over barbarians was one of the primary and universal axioms of Greek thought.[1]

As to its animate elements, then, the household is organized with reference to the gradation of intellectual capacity. This capacity exists in the woman in a weaker form and in the child in a less developed form than in the man. In the slave it has no existence whatever. Hence arise the three varieties of paternal dominion, all working for the realization of the highest good of the whole household. As to the inanimate possessions of the household, there is no question of the absolute dominion of the father. Aristotle assumes without examination the validity of the principle of private property. As to methods of acquisition, however, he finds room for much reflection, in the course of which he develops many familiar principles of political economy. The production of wealth has for him no high philosophical significance. He regards it as a more or less disagreeable necessity incidental to the maintenance of life, and as such a function of the household, but the lowest of its functions.[2] From this point of view he distinguishes between natural and unnatural methods of acquiring wealth. The natural methods, which alone fall within the scope

[1] *Cf.* Plato, The Republic, V, 469; Aristotle, The Politics, I, vi, 6; VII, vii, 3.

[2] Household management (*οἰκονομία*) has for its purpose rather to make the members of the family virtuous than to make them rich. — I, xiii, 1.

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of true economic science (ἡ οἰκονομική), are those through which mere necessary subsistence is procured. Among these he enumerates cattle-raising, agriculture and hunting, the last including as subordinate species, fishing, the chase of land animals and — oddly enough — brigandage (λῃστεία).[1] The unnatural methods of acquisition are those which aim, not at the mere maintenance of life, but at endless accumulation of wealth. These fall within the field of a distinct science, chrematistics (ἡ χρηματιστική). Of these methods trade, whether in the form of barter or in that of sale for money, may be natural, when pursued merely with a view to procuring necessities of life, and not as an end in itself. But through the use of money to facilitate exchange men have been led to see in money itself the end of trade; and hence has arisen, among other evils, the lending of money at interest. In this practice money is made to reproduce itself instead of being applied to the procurement of the needs of life. Such a mode of acquisition, therefore, has no logical justification and is, he concludes, wholly unnatural.

This discussion of economics is on the whole as remarkable for its weak as for its strong features. The keen analytical faculty which is so characteristic of Aristotle achieves excellent results in shaping the questions that are to be solved. The elementary ideas of production and exchange are fairly presented. He sees clearly enough the distinction between value in use and value in exchange, and the primary function of money has never been better elucidated than by him. But he fails entirely to grasp the notion of capital, and accordingly does not rise above the very primitive and absurd conception of interest. His glaring weakness at this point, and the no less remarkable freak of including brigandage in the normal methods of acquiring wealth, both may be traced back to an inexplicable shifting in his conception of nature (φύσις). This term has, throughout the history of political theory, proved a

[1] I, viii, 7 and 8. The philosopher further notes that war, also, is a species of hunting, and is allied to economic science so far as it aims to bring into servitude men who, being slaves by nature, are unwilling to submit. — I, viii, 12.

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stone of stumbling to philosophers. Aristotle, however, at the beginning of *The Politics*,[1] assigns to the word a clear and unambiguous meaning, namely, a condition of perfect development of all potentialities. But here at the end of the first book he evidently thinks of it as denoting a primitive and undeveloped condition. In the one place man is political by nature, because the state is characteristic of fully developed humanity. In the other place brigandage is a natural method of obtaining wealth, because it is a practice of undeveloped men, and the taking of interest is not natural because, apparently, it is not found among undeveloped men.

III. *Organization of the State: Constitution, Citizenship, Government.*

In approaching the consideration of the constitution which shall most faithfully embody the true principles of political science, Aristotle first examines critically those systems, whether actual or theoretical, which have attained a general reputation for excellence. In the second book of *The Politics*, the constitutions of Sparta, Crete and Carthage, and the actual or projected legislation of distinguished thinkers, like Hippodamus, Phaleas and Solon, are described and their most conspicuous features commented upon. But the first place in the book is devoted to a severe and at times distinctly unfair criticism of Plato's ideas, as embodied in *The Republic* and *The Laws*. From the standpoint and with the method adopted by Aristotle it is a matter of no great difficulty to exhibit many weaknesses in the Platonic theories. But probably the most significant feature of the critique is the attack on the philosophic supports of communism. Aristotle concedes that unity is of fundamental importance in any conception of the state, but the means advocated by Plato for attaining it he holds to be destructive of the end in view. Thus, Plato says that, if a man does not know his own children, he will feel an equally high affection for all the children

[1] I, ii, 8.

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in the state. But, answers Aristotle, the sense of personal possession is the whole basis of affection; therefore the result will be, not great love for all, but no love for any. Again, the degree of harmony to be expected from community of property is less than that from a régime of individual ownership; for the disputes that arise among persons having joint interests are notoriously frequent and distressing, and without private property there would be no room for the establishment of those valuable social bonds which accompany the exercise of liberality, in accordance with the saying that all things are in common among friends.[1] The Platonic reasoning is, in fact, vitiated from the outset by an erroneous conception of the unity that is essential to the state. It is not a unity which consists in the obliteration of all diversities in individuals. Such a conception is fatal to the idea of the state, as identity in musical tones is fatal to the idea of harmony. The unity of the state is that which arises out of the proper organization of relations among individuals who differ from one another as rulers and ruled.

From this point of view Aristotle proceeds to the positive presentation of constitutional relations.[2] A state, objectively considered, is an assemblage of citizens. What is a citizen? This question is answered primarily on a basis of fact — and of purely Hellenic fact. The citizen, he says, is one who participates in the functions of juror and legislator (*δικαστὴς καὶ ἐκκλησιαστής*), either or both. In other words, citizenship signifies merely the enjoyment of political rights, and a state is a group of persons exercising these rights. No part of the community not possessing such rights comes within the purview of politics proper. But Aristotle raises the further question, Who ought to be citizens? Especially, Are mechanics and laborers fit for inclusion in this class? His answer is negative. The prime qualification for citizenship is capacity both to rule and to be ruled, and the cultivation of this twofold capacity is indispensable. But those who must labor in

[1] Both Plato and Aristotle attached much importance to friendship (*φιλία*) as a social virtue.

[2] In Book III.

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order to live are too dependent on the commands of others ever to develop the capacity themselves to command.[1] Freedom from concern about the necessities of life is indispensable to the proper performance of political duties.[2] The working classes are, indeed, essential to the state's existence; but this does not constitute them citizens. While in practice they have been admitted to citizenship in many states, this, Aristotle thinks, has been justified only by the regrettable lack of true material.

The state, then, which the philosopher must consider consists in a self-sufficing body of such citizens as he has defined. The general system of authority through which the functions of the state are performed is the constitution (*πολιτεία*). In the constitution are determined the number and interrelationship of the various organs of government, the methods through which they are manned and particularly the abode of the supreme or sovereign power (*τὸ κύριον, ἡ κυρία ἀρχή*).[3] On this last point depends the difference between constitutions; for the governing body (*πολίτευμα*) is sovereign, and makes the constitution what it is. Accordingly, where the people is the governing body the constitution is a democracy; where the few govern, it is oligarchy.[4]

Aristotle employs this conception of the constitution in determining when the identity of a state changes. With logic that has not been confined to ancient times and European lands, Greek governments had sought to repudiate debts on the ground that they had been contracted not by the state, but by the oligarchy or the tyrant. What, the philosopher asks, is the essence of the state, and when does it cease to be itself and become another? And he answers: The essence of the state is the constitution, and the state changes its identity when the constitution changes, *e.g.*, when from democracy it becomes oligarchy or tyranny. But, he hastens

[1] III, iv and v. [2] II, ix, 2. [3] IV, i, 10.

[4] III, vi, 1. Aristotle says: *κύριον πανταχοῦ τὸ πολίτευμα*; but he does not appear to mean what would be conveyed to modern minds by the literal rendering: "The sovereign is everywhere the government." *Cf. ad loc.* Jowett, Zeller, Susemihl.

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to add, "it is quite another question whether the state should or should not fulfill engagements when it changes its constitution." This very impotent conclusion is perplexing, especially as *The Politics* contains no further discussion of the matter. From his identification of the state with its constitution the obvious inference would be that a democracy, for example, is not responsible for the engagements of a tyrant whom it has displaced. Either Aristotle here means by constitution something more than what he says in defining the term, or, not wishing to commit himself to the approval of the repudiation of contracts, he deliberately evades the logical dilemma.[1]

From the nature of the state and of the constitution as defined above, the philosopher draws one conclusion as to the normal, or natural, organization of government. Though the state arises from man's impulse to association with his kind, rather than from a deliberate search for mutual assistance, yet the advantages springing from political organization have a great influence in the maintenance of the social bond. These advantages, then, should be common to all the citizens. All alike should profit by the capacity of each in either ruling or being ruled. Hence the constitution should provide for the service in office of each of the citizens in his turn. Such at least should be the rule where the state is really a society of equal citizens. Quite different, the philosopher sententiously observes, is the actual practice; for, through selfish craving for the emoluments of public service, men seek for and cling to office as if their lives depended on it.[2]

IV. *The Sovereign Power.*

Conceiving the essence of the state to be expressed in the constitution, and the crucial feature of the constitution to be the supreme or sovereign authority (*τὸ κύριον*), the question at once arises: On what rational principle is the abode of this

[1] A third alternative, always to be presumed in The Politics, is that the text is corrupt or defective. But there is no indication of such a condition in this passage. — III, iii, 9.

[2] III, vi, 10.

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sovereignty to be determined? Controversy is particularly keen, Aristotle notes, between those who favor the principle of mere numbers and those who favor that of wealth and intelligence. The former, advocating democracy, claim that all who are equal in respect to freedom should be recognized as equal in political power, and that, accordingly, the sovereignty should rest in the general body of citizens. Against these the advocates of oligarchy contend that superiority in wealth, or intelligence, or birth, should carry superiority in power and that the supreme authority should therefore rest in the few. Both these arguments, Aristotle declares, miss the precise criterion, which is to be found only after reaching a correct conception of the nature and end of the state. The state is not an association for the acquisition of wealth, or for the mere maintenance of life, or, like an international alliance, for the promotion of definite political and commercial interests of the contracting parties. The end of the state is not that certain persons shall have a common dwelling-place, and shall refrain from mutual injury and shall be in habitual intercourse with one another. The state embraces within itself associations for all these and other purposes, but such associations are based on friendship (φιλία) and look merely to living together. On the other hand, the state has for its end living well — living happily and nobly: it is an association not for mere life, but for noble actions.[1]

From this point of view, the greater share in political power should belong to those who contribute most to the perfect life. Virtue, especially that species called justice, is to be the criterion, rather than freedom or birth or wealth. Must sovereign power, then, be ascribed to the mass of the people, or to some limited class, or to some individual? Primarily, Aristotle answers, to the mass of the people. For the aggregate virtue[2]

[1] III, ix.

[2] Virtue (ἀρετή) must always be understood in its ancient philosophical sense. It connotes much more than strict moral excellence. "Ability" would be perhaps nearer to the Greek idea, though defective as connoting no moral quality whatever. Custom has confirmed the translation of ἀρετή by virtue, and I shall adhere to this, subject to the caution here noted.

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of the whole people exceeds that of any particular part. The same answer, indeed, would follow from a rigid application of the principle of wealth; for the whole is wealthier than any of its parts. But popular sovereignty, as thus conceived, is subject to an important qualification.

In the controversies of Hellenic politics over oligarchy and democracy the underlying thought was that the people (ὁ δῆμος) and the few (οἱ ὀλιγοι) in any given community constituted in fact two states, each existing or ceasing to exist, as the one or the other faction gained control. This idea had much justification in the facts of the conflict. Democratic triumph in most cases meant the actual physical expulsion of the oligarchs from the community; while oligarchic triumph meant the exclusion of the mass of the people from all political rights, and hence from the state, in the sense in which Aristotle defined it.[1] The unsatisfactory character of Aristotle's discussion as to the identity of the state[2] illustrates how prone he was to adopt the popular conception, and regard sovereignty as inhering in the dominant faction of the community. But more commonly he conceives the sovereign power rather as the highest authority in the administrative hierarchy, or as that part of the administrative organization which deals with the most important questions of policy. In other words, he thinks of the sovereign as subordinate to the state, and of the state as existing apart from any particular possessor of the chief governmental power.

The latter conception of sovereignty is that which the philosopher employs in deciding that the mass of the people must be sovereign. This does not imply that either the people as a whole or every individual alike is best adapted to administer all the offices of the state; but that the greatest and most ultimate questions must be finally passed upon by the whole people. In practice this would mean, he explains, that the function of the popular body should be chiefly the election and censure of the officers of administration. For such functions the people as a whole is eminently fitted. It may, indeed, be

[1] *Supra*, p. 283. [2] *Supra*, p. 284.

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argued that statesmen of eminent wisdom and experience would give a better judgment than the mass — that the few, rather than the many, are the logical sovereign in this sense. But Aristotle rejects this contention. The verdict of the general public is valid in politics, just as it is in musical contests and in banquets; not the musician and the cook, but they who hear the music and eat the dinner are best qualified to render judgment.

The sovereignty of the whole people, therefore, subject to the qualification that it be manifested in the election of magistrates and in holding them to account for their conduct in office, is the primary solution of the problem as to the location of ultimate power in the state. This solution presumes, however, that the citizens are on the whole not far from the same general level of virtue. Suppose, on the contrary, that among them is a small number, or even a single individual, whose virtue overwhelmingly exceeds that of all the rest, whether taken individually or collectively. In such a case, there can be, Aristotle holds, but one answer: the preëminently virtuous few or one is the logical sovereign. It is a consciousness of this fact, he explains, that has led democracies to devise the institution of ostracism. An actual popular sovereign cannot tolerate in the body politic an individual who in any way embodies the possibility of becoming the ideal sovereign.

Finally, above every form of personal sovereignty, whether of the one, the few or the whole people, must be placed, according to Aristotle, the sovereignty of the law (*νόμοι*). Only where the law is uncertain or incomplete may the authority of man be conclusive. Granting that, as some contend, the rigidity of law works frequent injustice; yet less injustice will spring from the prescriptions of customary law (*οἱ νόμοι οἱ κατὰ τὸ ἔθος*) than from the unchecked will of any man. For such law is free from the influence of human passions. The rule of law, Aristotle finely says, is the rule of god and reason only; in the rule of man there appears in addition something of the brute.[1]

[1] III, xvi, 5.

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V. *The Forms of Constitution.*

Aristotle primarily classifies constitutions, first, according to the mere number of those in whom sovereign power is vested and, second, according to the end to which the conduct of government is directed. The latter principle distinguishes pure from corrupt forms, for the end of the state is the perfection of all its members. When the government is administered with this end in view, the state is pure; when the administration aims at the interest, not of all the citizens, but of the governing body alone, the state is corrupt. The classification of constitutions then assumes this form[1]:

Sovereignty of	Pure Form	Corrupt Form
The one	Royalty	Tyranny.
The few	Aristocracy . . .	Oligarchy.
The whole people .	Polity	Democracy.

In respect to this classification it is to be observed that the pure forms are based on an ideal which belongs to political science in its broadest and most abstract sense;[2] while the corruptions (παρεκβάσεις), so called because they deviate from the ideal, are what fall strictly within the field of politics in its practical and independent character. Aristotle's conceptions of royalty and aristocracy are hardly less idealistic and fanciful than Plato's. Royalty is substantially the rule of the one perfect man; aristocracy is the rule of the few perfect men, not easily to be distinguished in their attributes from Plato's "guardians." If Aristotle had confined himself to an abstract and idealistic treatment of these various constitutions, his work would have exhibited little divergence from Plato's. But in *The Politics*, as we have it,[3] the discussion is of an eminently

[1] III, vii. *Cf.* also Nich. Eth., V, 10, where a somewhat different nomenclature is employed.

[2] *Ante*, p. 275.

[3] The text of Books IV, VI, VII and VIII, which cover this subject, is in a condition of such corruption as to render the precise order of thought which Aristotle intended to follow hopelessly uncertain. By transposition of the order of the books and by high-handed rearrangement of paragraphs, various plausible schemes have been devised in which coherency of development is pre-

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practical character, and the ideal constitutions, while cropping out from time to time, are quite overwhelmed in the mass of historical and critical commentary on the perversions, which alone are in vogue among actual men. Only in the case of the polity is an ideal brought into close relation with a possible constitution. The term πολιτεία, which means constitution in general, is applied by Aristotle also to the special form of democratic constitution. And polity, in this narrow sense, he views in some places as an abstract ideal, but in others as a system quite susceptible of realization through a proper tempering of actual democracy.

For monarchy the philosopher can find a rational justification only in the purely ideal case of an individual absolutely preëminent in virtue. To such an ideally perfect man may be ascribed the right to rule,[1] unrestrained by law. But for actual states the best possible law has a better ground for supremacy than the best possible man. And for the work of government subject to law, the capacity of an individual can never equal that of an aggregation of individuals. The many is less easily corrupted than the one; and even though the one may have nominal supremacy, the physical impossibility of conducting the administration single-handed renders necessary a plurality in government which is not different in kind from a plurality immediately under the constitution. Aristotle's conclusion is, in fact, that monarchy not only is illogical, but also is practically impossible.[2] Tyranny, the corrupt form of royalty, Aristotle regarded as resting purely on force, and therefore as having no place in a purely rational system of politics.

For his detailed examination of the non-monarchic constitutions, Aristotle points out that the different forms rest upon a deeper foundation than that of mere number in the sovereign body. Oligarchy and democracy signify, respectively, the dom-

served. These are all ingenious, and most of them are scientific. Whether any of them is Aristotelian, no one can say.

[1] But Aristotle points out that not even here could the principle of hereditary succession be recognized.

[2] He considers only Greek states. The great barbarian monarchies do not lie within his category of state (πολιτεία).

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ination of the rich and that of the poor; while practically these classes are the few and the many, the greater importance lies in the economic, not in the arithmetical, fact. But these two forms again require, according to Aristotle, further subdivision. Democracies differ from one another, and the same is true of oligarchies; here again the various shades,[1] of which he enumerates four under each form, have a close relation to social and economic facts.[2] The form, amount and diffusion of wealth play a large part in the peculiar adjustments of political organization.

In the detailed treatment of aristocracy and polity, the original character of the two is almost entirely lost sight of by Aristotle. Their relation to oligarchy and democracy appears no longer as that of the pure to the corrupt, dependent upon the end to which government is directed. On the contrary, the distinctions are made to turn upon the characteristic principle that determines participation in political functions. The principles that are in conflict for supremacy in every community, Aristotle says, are liberty, wealth, virtue and good birth (*εὐγένεια*). Where the conduct of the government is assigned on the basis of liberty (and equality, which is an essential element in liberty), the constitution is democratic; where on the basis of wealth, it is oligarchic; where on the basis of virtue, in the strictly ideal sense, it is aristocratic.[3] Polity is the constitution that embodies a blending (*μίξις*) of the two principles, liberty and wealth. When with these two virtue also is combined, the resulting form is entitled to, and generally receives, the name of aristocracy. But this mixed aristocracy he carefully distinguishes from the pure and ideal aristocracy of which the principle is virtue alone.

[1] The distinction between these varieties is made to turn partly upon the extent to which government is subject to law. This criterion had been used by Plato.

[2] For example, the four varieties from most moderate to most extreme democracy correspond in general to the predominance of agricultural, mechanical, mercantile and maritime pursuits among the mass of the people. — IV, iv, 21 and vi, 1–6.

[3] Good birth Aristotle disregards; for, he says, it is merely long-standing wealth and virtue. *ἡ εὐγένειά ἐστιν ἀρετὴ καὶ πλοῦτος ἀρχαῖος.* — IV, viii, 9.

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The full application of Aristotelian analysis thus gives a rather formidable aggregate of forms of constitution; and it is doubtful if the philosopher in his best estate could have assigned an actual government clearly and categorically to any one particular class. Certainly *The Politics*, as we have it, is very far from clear in distinguishing each from all the rest. Polity and the mixed aristocracy are especially difficult to disentangle,[1] and various shades of democracy and oligarchy approach perplexingly near to both. But there can be no doubt as to the success of the philosopher in detecting the broad underlying influences, historical, social and economic, through which the manifold variety in political organization is determined. It is his realization of the diversity in these influences that leads him more or less unconsciously to shift from time to time the basis of his classification.

The practical significance of the distinction between constitutions on the basis of principle is best revealed in his refined analysis of the three elements essential to every government.[2] These necessary elements are: first, a deliberative organ (*τὸ βουλευόμενον*); second, a system of magistracies (*τὸ περὶ τὰς ἀρχάς*); and, third, a judicial organ (*τὸ δικάζον*). On the divergencies of form and function in these three elements depends the character of the various constitutions. It is because these divergencies are practically infinite in number that the forms of constitution shade imperceptibly from one to another of the prominent types. In extreme and unquestionable democracy the deliberative organ would be an assembly of all the people, determining directly all questions pertaining to this organ;[3] the magistracies would be filled by lot, and all citizens would be eligible for all offices; the administration of justice would be in the hands of a jury court, chosen by lot from the general body of citizens and exercis-

[1] Sparta is given in different places as an example of each of these forms. *Cf.* IV, vii, 4 and ix, 6–10.

[2] IV, xiv *et seq.*

[3] Aristotle enumerates as such: peace, war and alliances; legislation; infliction of penalties in cases punishable with death, exile and confiscation of property; election of magistrates and review of their official conduct.

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ing jurisdiction over all kinds of cases. In extreme oligarchy, the deliberative organ would be a close corporation of very wealthy citizens, with unlimited powers; the magistracies would be based on a high property qualification for eligibility; and the jury court, with general jurisdiction, would consist of a small body, elected on a high property qualification. Polity would exhibit some such combination as this: for the deliberative organ, a body of citizens, with at most a moderate property qualification, exercising jurisdiction over only a part of the subjects normal to this organ;[1] the magistracies filled through election, either alone or in combination with the lot, but with a property qualification for eligibility; the administration of justice divided among a number of courts and magistrates, the jurors, like the magistrates, being chosen by a combination of lot and election, and with a moderate property qualification. Practically, the most conspicuous characteristics of the various forms are conceived to be: in democracy, concentration of important functions in the general body of citizens, assignment of offices by lot, as the guaranty of perfect equality, and compensation for public services; in oligarchy, concentration of functions in a narrow body of the wealthy, assignment of offices on a property qualification and unpaid public services; in polity, diffusion of functions among various organs, assignment of offices by a combination of lot and election. Practical or mixed aristocracy would be determined by the employment of oligarchic forms, subject to a primary regard for fitness, rather than for wealth, in the ruling body.

VI. *The Best State.*

In approaching the question as to which form of constitution is the best, the same analytical method which so minutely distinguished the different varieties is applied, with the result that no categorical answer is recognized. We must consider, Aristotle declares, not only what form is the best absolutely (*τὴν ἀρίστην ἁπλῶς*), but what is the best attainable by actual

[1] The other subjects would be in charge of various magistrates.

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men and on the average (*μάλιστα πάσαις ταῖς πόλεσιν ἁρμόζουσαν*), and what is the best under given conditions (*ἐκ τῶν ὑποκειμένων*).

As to the absolute or ideal state, there is no room to doubt that the dominion of absolute and ideal virtue or fitness must determine. That is, the best must rule ; if one man is pre-eminent in excellence (*ἀρετή*), the form will be royalty ; otherwise, pure aristocracy. Leaving these aside and considering actual men, the criterion of preference among constitutions is the same as in respect to individual conduct : the mean (*τὸ μέσον*) must control. In human society extremes of wealth and poverty are the main sources of evil. The one brings arrogance and a lack of capacity to obey ; the other brings slavishness and a lack of capacity to command. Where a population is divided into the two classes of very rich and very poor, there can be no real state ; for there can be no real friendship between the classes, and friendship is the essential principle of all association.[1] That state, therefore, will be the best in which the middle class is stronger than either or both of the extremes. In such a state the influences which make for peace and order will wholly prevail and stability will be insured. The constitution which in all respects embodies the principle of the mean is polity. This constitution, therefore, must be on the average the best.[2]

But it is not to be understood that this form, which is on the average the best, is necessarily the best for every people and under every set of conditions. Circumstances, Aristotle holds, may make any form the best. The general principle here is that the element which desires the existing constitution to stand shall be stronger than those which desire change. In other words, stability is the criterion ; and that constitution is best which under the circumstances will last the longest. In this sense, democracy is best where the poor greatly exceed

[1] *ἡ κοινωνία φιλικόν.* — IV, xi, 7.

[2] Mixed aristocracy is not clearly enough distinguished by Aristotle from polity to warrant giving it a preferential position. Theoretically, it would apparently stand first of the two.

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the rich in numbers; oligarchy, where the superiority of the rich in resources and power more than compensates for their inferiority in numbers; polity, where the middle class is clearly superior to all the rest.

So far as it is possible to arrange an order of excellence with reference to all the various points of view from which Aristotle considers the different forms of constitution, the following[1] would convey his ideas: 1, ideal royalty; 2, pure aristocracy; 3, mixed aristocracy; 4, polity; 5, most moderate democracy; 6, most moderate oligarchy; 7, the two intermediate varieties of democracy and oligarchy, the former having preference over the corresponding grades of the latter; 8, extreme democracy; 9, extreme oligarchy; 10, tyranny.

The plan of *The Politics* includes a comprehensive discussion of the conditions essential to the best constitution. It is not clear whether this feature of the work was intended by Aristotle to deal primarily with the best absolutely or with the best on the average.[2] There is much in his treatment that is wholly abstract and idealizing, Platonic in both method and substance, and suggestive of the pure aristocracy; there is also very much of the characteristic Aristotelian practicality, suggestive of the polity. But in the text of *The Politics*, as it has come down to us, the details of constitutional organization are wholly lacking; and attention is confined to the determination of the most favorable external conditions for the state and the most effective methods of character-building for the people.[3] A preliminary discussion, devoted to a nearer definition of the true end of the state, develops the conclusion that for the state, as for the individual, the best life lies in the pursuit of virtue, rather than of power or wealth. As there is nothing noble or exalted in the ruling of slaves by an individual, so there is nothing noble or exalted in the exercise of

[1] *Cf.* Susemihl, note 1305.

[2] III, end. Here the discussion is announced in general terms. The specific purpose is a moot question in the controversies of the commentators as to the order of the books.

[3] The best state is the subject of Bks. VII and VIII, the latter being a fragment.

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despotic dominion by a state.[1] Conquest, therefore, through aggressive war is not to be recognized as an end to be kept in view by the philosophic legislator.[2] A peaceful career, devoted to self-perfection, through the harmonious and unceasing activity of all the elements of political and social organization, is the true ideal, and that which involves complete happiness for both state and people.

The realization of this ideal depends partly upon external conditions, which must be more or less determined by chance, but to a far greater extent upon the character and culture of the people, which may be fixed through scientific legislation. Aristotle's treatment of both branches of the subject strongly suggests that of Plato in *The Laws*. He aims to present the desirable features of a city state, without exceeding the limits of the possible, and he employs constantly the doctrine of the mean. The size of the population and the extent of territory must be sufficiently great to make the state self-sufficing. But the number of people must not exceed what can be well supervised (εὐσύνοπτος); the community must be a city (πόλις) and not a people (ἔθνος).[3] The city should be situated near enough to the sea to procure what is necessary from abroad, but not near enough unduly to stimulate commerce and the seafaring class. In natural endowments the population should resemble the Greeks, who combine the spirit and courage of the northern races with the intellectual keenness of the Asiatics.[4] The elements essential to make the state self-

[1] But Aristotle recognizes the justice of non-despotic dominion, *i.e.*, that which is directed to the good of the subject rather than of the master state. — VII, xiv, 21.

[2] In strict accordance with his theory of slavery, Aristotle intimates that aggressive war is just when directed against those who are by nature slaves. — *Ibid.*

[3] "What commander," he asks, "could marshal so huge a host, or what herald, save with the voice of Stentor?" That is, the limit of the number of citizens depends upon the possibility of conducting a public assembly at which all should be present. — VII, iv, 11.

[4] The Hellenes, he observes, are in a particular sense fitted for political life and could, if united in a single government, rule the world. (VII, vii, 2, 3.) Several philosophers since Aristotle have adopted his principle, and have applied it so as to show that their own particular people, because lying south of some nations and north of others, are especially qualified for dominion. So Bodin.

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sufficing are agriculturists, artisans, warriors, well-to-do people, priests and administrators (*κριταὶ τῶν δικαίων καὶ συμφερόντων*). Of these the first two, on principles already mentioned, while *in* the state cannot be *of* it. The other classes are as to *personnel* one. They must constitute the citizens proper, must own the land (in severalty, save a part owned by the state) and must perform at successive periods of life the functions of warriors, administrators (participants in all forms of purely political life) and priests. Performing thus in succession the various duties of citizenship, they will maintain that equality which is distinctive of the free citizen and will round out the civic character by experience in both ruling and being ruled. Supported by the produce of their land, they will enjoy that leisure without which true virtue is impossible.

In addition to these important considerations Aristotle discusses many minor features of the internal ordering of the city, and devotes particular attention to the arrangements for defense against attack. His ideal city is not contemplated as remote from the contingencies of foreign war. The topography of the site, the water supply, the arrangement of the streets — all must have reference to a possible siege; and fortifications, both walls and citadel, he regards as indispensable. Clinging firmly to his principle that aggressive war is excluded from the purposes of the ideal state, he maintains that a full provision of all the latest improvements in warlike equipment must be made as the surest guaranty against attack.

As to the means through which the ideal character is to be developed in the citizens of the state, Aristotle finds it, as did Plato, in scientific education (*παιδεία*). The ultimate function of the state is pedagogic. For the perfection of the community depends upon the perfection of its constituent members, and the perfection of the latter can be achieved only through the cultivation of moral and intellectual excellence. Hence a system of uniform, compulsory, public education is the first essential of the best state, and the administration of such a system is the most important function of government. Aristotle's project of educational legislation is of the same general

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character as that of Plato. It aims at mental culture rather than practical utility, lays due stress upon the physical side of the training,[1] and attaches to music a moral significance and a character-making influence that are quite incomprehensible to the modern mind. The full application of this system is to begin in the case of each citizen at the age of seven. But no less important to Aristotle than to Plato seems governmental supervision of life from its very inception. We find in *The Politics* provision for a rigid regulation of the times and conditions of marriage and procreation and of the care of the young.[2] Thus will be insured the ideal basis for the later training, the finished product of which will be a matured manhood of physical grace and beauty, combined with a moral and intellectual fitness for the lofty thought and noble action worthy of the free man's leisure.

VII. *Revolutions.*

Ideally, the stability of a constitution would be insured by the system just described. From this point of view, Aristotle made no important advance over Plato. Practically, however, instability and transformation had been a most characteristic feature of Hellenic constitutional life, and as such it afforded a particularly appropriate field for the application of the Aristotelian method. Plato's systematic treatment of the subject was limited to a fanciful sketch of the evolution of existing constitutions from his ideal form;[3] Aristotle devoted to it a whole book of *The Politics*, embodying an enormous mass of historical facts and a masterly exhibition of scientific analysis. The general trend of development, from royalty through oli-

[1] In connection with this, Aristotle inveighs even more strongly than Plato against the undue attention given by the Spartans to merely military exercises, and declares that the decline of Sparta proves that the system has been a failure.

[2] The physical integrity of the population is to be maintained by the exposure of defective infants, and the legal limit of its size by the practice of abortion. — VII, xvi, 15.

[3] The Republic, VIII, 546. Aristotle's criticism of this part of Plato's work is unmerciful, and also to a considerable degree unfair. — Politics, V, xii, 7–18. *Cf.* Jowett's Notes *ad loc.*

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garchy and tyranny to democracy, was explained by Aristotle as a concomitant of social and economic progress in Hellas.[1] A more specific determination of the sources of constitutional transformation was imperatively required, not only to complete the system of rational political speculation, but also to explain the chronic insurrection and revolution [2] which made the reality of Hellenic politics so far different from the calm and orderly existence of the philosophic ideal. Indeed, the ideal doubtless took its character largely from the aversion which the violent and ignoble features of actual politics inspired in the reflecting mind.

The most general cause of revolutionary movements (στάσις) Aristotle finds to be the craving of men for equality. As already noticed, equality has a double character — absolute and proportional. The masses are ever seeking for absolute equality — for the same privileges and power that are possessed by the few; the few strive for proportionate equality — for a superiority in privilege and power corresponding to their superior wealth, or ability, or birth.[3] By this one broad principle, thus, may be explained the manifold phenomena of the conflicts for the establishment of monarchy, aristocracy, oligarchy and democracy. Of the particular causes which are operative in revolutions the philosopher enumerates a large number, grouping them according as they lie more in the sphere of human passions (jealousy, arrogance, fear, *etc.*) or in that of impersonal facts. His remarks under the latter head exhibit his insight at its best, tracing, as he does, political transformation to obscure social and economic sources.[4] Particular stress is laid upon the fact that the causes of revolutions are to be regarded as quite distinct from the occasions. The latter may be and

[1] *Cf.* III, xv, 11–13; IV, xiii, 9–12.

[2] The political history of Hellas during the two centuries preceding the Macedonian conquest was, from this standpoint, not unlike the history of Latin-America since 1800.

[3] But noble birth, he explains again, signifies merely inherited wealth and virtue. *Cf. supra*, p. 291, note 3.

[4] V, iii. For example, he notes how an oligarchy based on a property qualification may be converted into democracy by a mere rise in values. *Cf.* V, vi, 17.

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often are incidents of trifling character; the former are always profound. Thus the private quarrel of Harmodius and Aristogiton with the Pisistratidæ, while undoubtedly the occasion, was by no means the cause, of the downfall of the tyranny at Athens.

These doctrines as to the causes of revolutions are applied by Aristotle to each of the special forms of constitution. Democracy, oligarchy, polity and aristocracy are subjected in turn to a searching examination, through which the manner of their undoing is laid bare.[1] This investigation duly sets forth the influences which produced the broad trend of government from monarchy to democracy, but at the same time explains all the manifold deviations from this general order. Democracy has not always been the last term of the series, but has often passed into oligarchy and tyranny. For both these transformations the demagogues have been responsible. In the early days the fighting demagogue, by posing as the friend of the people, made himself tyrant; in later days the talking demagogue, ever assailing the rich, drives them to oligarchic revolution in self-defense. More common, however, is the transformation of democracy from the more moderate to the extremest variety, through the conviction impressed by the demagogues upon the masses that the people are above even the law. Oligarchy, Aristotle finds, falls chiefly through dissensions and ambitions in the privileged classes themselves. Where the rulers are harmonious, he says, an oligarchy is not easily overturned. But this form of constitution may, like democracy, be transmuted, not into a wholly distinct form, but into another variety of itself; and this often happens. As to the mixed constitutions, aristocracy and polity, revolutions may most often be traced to an inexact adjustment of the different principles which are combined in them. Aristocracy tends to become oligarchy, through the undue encroachment of the

[1] This investigation is an almost perfect example of the application of the historical method in political science. The facts adduced by Aristotle as the basis of his reasoning constitute a valuable body of sources for Greek history, and at the same time throw a rather lurid light on Hellenic politics.

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richer; polity to become democracy, through the undue aspiration of the poorer classes of the people. Stability can be maintained only by proportionate equality and by giving to each his own. It is in these mixed constitutions in particular that transformations are apt to take place unnoticed, through the imperceptible modification of social and economic conditions.

Aristotle follows up his elaborate array of the causes that produce revolutions by an equally impressive array of means for preventing them.[1] The character of the particular causes suggests at once the character of the corresponding remedies. In the mixed constitutions especial care must be taken to detect the obscure beginnings of new conditions making for political change. In aristocracy and oligarchy the inferior classes must be well treated, and the principles of democratic equality must be strictly applied among the privileged classes.[2] The body of citizens interested in political stability must often be roused by the cry that the constitution is in danger.[3] No single man should be permitted to attain to power either suddenly or in a disproportionate degree. "Men," the philosopher reflects, "are easily spoiled, and not every one can bear prosperity." Access to positions of power should be made gradual and slow, and undue influence on the part of any individual should be met, if necessary, by ostracism. In every state, further, the utmost care should be taken to exclude the officers from all opportunity of pecuniary gain. Especially important is this in oligarchy; for while the masses may be contented to leave political office to others and devote themselves to money-making, they will always resent being excluded from positions that bring not only honor but also profit. The surest way to satisfy both the classes and the masses is to throw the offices open to all, but without salaries. This will insure in practice the manning of the offices chiefly by the well-to-do. But every care must be taken, by public statements as to the condition and conduct of the finances, to inspire confidence

[1] V, viii. [3] V, viii, 8.

[2] *E.g.*, offices must be held for short terms so that all may participate in them.

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that the treasury is not being exploited by the officials. It is desirable, moreover, that no class should have a monopoly of the offices. In oligarchy the poor, and in democracy the rich, should be encouraged to share in those administrative functions which do not affect the sovereign power.[1] This corresponds to the broad dictate of good policy, not to push to extremes the principle of any particular form. Extremes provoke resistance; the mean should be observed; for, whatever element may rule, all the other elements are valuable to the state. Finally, the most efficient of means for the preservation of the state from revolution is that which is in general the least considered — a system of education in the spirit of the constitution. Legislation is likely to avail little unless the youth of the city are trained to appreciate what is truly essential to the maintenance of their particular system. But this does not mean that oligarchic training is to involve merely what is agreeable to the wealthy, and democratic training what is agreeable to the masses. That would only emphasize the evils which already exist. For in oligarchies the aristocratic youth pass their time in idleness and profligacy, while the masses are left to toil and plot rebellion; and in democracies distorted notions of liberty and equality lead to license and to the overthrow of all constitutional restraint.[2]

Aristotle's discussion of the monarchic constitutions is particularly noteworthy for his finished exposition of tyranny as an art. Royalty, as a practical institution, is in his eyes only a more or less interesting survival from archaic times and conditions. It was essentially the unchecked rule of a supereminent individual or family over willing subjects. But with general enlightenment the preëminence of any one man has become impossible, and the passing of royalty cannot be pre-

[1] The qualities demanded by Aristotle in those who fill the supreme offices of the state are strikingly suggestive of Jefferson's triad of test questions. Aristotle enumerates: "(1) loyalty to the established constitution; (2) the greatest administrative capacity; (3) virtue and justice proper to each form of government." Jefferson asked: "Is he honest? Is he capable? Is he faithful to the constitution?" — The Politics, V, ix, 1; Jefferson's Works (1854), IV, 405.

[2] V, ix, 15.

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vented; for when the subjects cease to yield the monarch willing obedience, whatever absolute power he retains must rest on force, and he is therefore no king, but a tyrant; and if, on the other hand, he submits to limitations on his power, he may remain king in name, but is no longer a monarch in fact. As distinct from royalty, tyranny is to Aristotle a political phenomenon sufficiently modern to demand the same scientific consideration as actual constitutions.[1] Of all the species of government it is as a rule the least permanent; therefore the causes which lead to its downfall require special attention. In general these causes are the same as those which operate in the extremest varieties of democracy and oligarchy. The inherent likeness of these forms to tyranny is, in fact, the theme of reiterated comment by Aristotle.[2]

To counteract the influences working against him and to maintain his power, the tyrant has, the philosopher points out, the choice between two diametrically opposite policies. That most commonly adopted is one of ruthless and unqualified repression: the best citizens are slain or banished; whatever makes for a noble and exalted life among the people is suppressed; association for intellectual or social purposes is forbidden; espionage renders dangerous all freedom of intercourse; vast enterprises, whether of peace[3] or of war, are devised to keep the people occupied and poor; and the tyrant himself, surrounded by a servile crowd of foreigners, lives a life of undisguised luxury and selfishness. The more rare, but in Aristotle's opinion the more effective, policy is that according to which the tyrant keeps a firm hold on the essence of power, but disguises the reality of the tyranny by the semblance, at least, of beneficent rule. The administration is ostentatiously economical; the public interest is made a subject of the ruler's grave concern; those who come in contact with him are inspired with respect, rather than with fear; he patronizes genius,

[1] Tyranny was not a *πολιτεία* in the Aristotelian sense of the term. *Cf. supra*, p. 290.

[2] *E.g.*, "The people likes to be a monarch. Wherefore, the parasite is esteemed by both, . . . for the demagogue is the parasite of the people." — V, xi, 12.

[3] Aristotle cites the Egyptian Pyramids, among other examples of this.

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shows constant respect for the things of religion and avoids all public displays of sensuality or luxury. It is essential to this policy, however, that the tyrant shall win a reputation for at least the military virtues; that he shall select his subordinates from men of plodding, rather than enterprising character; and that while inspiring the rich and the poor with distrust of each other and confidence in him, he shall, when choice must be made between them, side always with the stronger.[1] In short, the characteristics of monarchic rule of this kind are that it be rather paternal than despotic, that it be based on moderation rather than excess, and that it be popular — winning the classes by friendship and the masses by the arts of the demagogue. On such principles, the tyrant's rule will be better for the subjects, will be more lasting and will tend to have a beneficial influence on the character of the ruler himself.

VIII. *The Hellenic and the Universal in Aristotle.*

The foregoing sketch of Aristotle's work should at least suggest the importance of the purely Hellenic elements in his political philosophy. His historical research went far beyond the confines of Hellas, but the system which he framed was determined in its most essential characteristics by the conditions that prevailed within those confines. The postulates of his thought, as of Plato's, were: the general superiority of the Greeks over other races; the inherent necessity and justice of slavery as the basis of social organization; the typical character of the city state in political organization; the incompatibility of bread-winning pursuits with the moral and intellectual attributes of good citizenship; the supreme importance of state-directed education and training in the maintenance of political virtue; and, finally, the subordination of all personal motives and conduct to the dictates of law — conceived either as the purely impersonal and more or less mystic product of

[1] Another and very famous dictate of policy suggested by Aristotle is, that all the rewards and honors of state should be bestowed by the ruler in person, while the punishments and disgraces should flow through other channels. — V, xi, 26.

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divine or natural forces, or as the formulated wisdom of some individual of almost superhuman sagacity.[1] Most of these ideas have in the course of the ages either passed entirely out of consideration or have been so modified as to lose the significance which Aristotle attached to them. But when we look further into his philosophy, beneath the general outlines determined by these Hellenic dogmas, we find a long series of principles which are as ultimate as human nature itself, and which, in almost the exact shape in which Aristotle formulated them, are features of political science at the present day.

Prominent among these is the distinct and unequivocal conception of the ultimate problem of politics — the reconciliation of liberty and authority. The primary fact of the state he represents to be the distinction between rulers and ruled. That is, political organization is inconceivable without the submission of one human will to another. The anarchist's conception of liberty and equality, incompatible with this doctrine, is denounced by Aristotle. Describing the tendencies of extreme democracy, he says :

> Equality is held to signify the rule of the majority, and liberty and equality to mean that each may do as he will. Hence, in democracies each follows his own inclinations. But this is evil. For life in subjection to the constitution is not to be regarded as slavery, but as the highest welfare.[2]

This view as to the relation between the individual and the state is duly supplemented by the doctrine as to the qualifications under which the personal authority in government is manifested. The most characteristic function of the officer is, indeed, declared to be the issuing of orders.[3] But above the officer he insists must be the impersonal factors in the constitution — namely, public opinion and customary law. The latter force he describes with perfect clearness; the former, though less distinctly defined, is undoubtedly what he has in view in

[1] Aristotle, while ascribing law in general to the slow working of custom, manifests at times the influence of the common Hellenic idea, that a perfect code may be, as it has been, projected into operation by an all-wise legislator.

[2] V, ix, 15. [3] IV, xv, 4.

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ascribing to the people as a whole the function of final judgment on official conduct and in defending the thesis that the opinion of the mass is preferable to that of the expert.[1]

In respect to the ultimate idea of sovereignty Aristotle discerns, rather than adopts, the theories of modern times. He realizes the importance of a determinate human superior, whose undoubted will is final; but he recurs again to the thought of a law controlling even this sovereign. He prefers that this ultimate human superior should be the whole people; but he qualifies this solution, first, by limiting it to a society in which the general level of virtue — *i.e.*, of moral and intellectual attainment — is high, and second, by limiting the field of sovereign legislative activity to the region not previously occupied by law. Aristotle cannot, in fact, think of the sovereign as essentially legislator. The normal function of the supreme organ is administration; but, almost without being aware of it, the philosopher resigns the key to his whole position by assuming that it is the duty of the sovereign to legislate when on any point "the law is either inadequate or improper."[2] Nothing more than this was needed to justify the proceedings of the popular assembly in extreme democracy, which Aristotle wholly abhors; for the substitution of decrees of the assembly for law would be merely a judgment by the sovereign that the law was either inadequate or improper.[3]

The doctrine of *The Politics* as to the three elements necessary in the organization of constitutional government is another example of striking insight. In this case, however, the relation of his theory to the modern theory of the separation of powers may easily be mistaken. Aristotle distinguishes three essential organs, which he designates as the deliberative, that pertaining to the offices and the judicial. Each of these has something in common with, respectively, the legislative, the executive and the judicial departments of modern analysis. But he contemplates no such distinction in respect to functions as has been made the basis of the latter. His deliberative

[1] *Supra*, p. 288.

[2] "Οσα δὲ μὴ δυνατὸν τὸν νόμον κρίνειν ἢ ὅλως ἢ εὖ. — III, xv, 6.

[3] *Cf.* IV, iv, 31.

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organ is, indeed, legislative, but only to the extent indicated above — that, namely, of supplementing the preëxisting law; his officers are executive, but scarcely more so than the deliberative organ; and his judicial organ differs from the deliberative rather in constitution and procedure than in function.

Finally, the permanent and universal side of Aristotle's philosophy is peculiarly illustrated by the importance which he attaches to economic influences in political organization and activity. From the theoretical point of view the validity of private property is maintained, and from the practical point of view the eternal friction between those who have and those who have not is made to explain many of the most conspicuous phenomena of government. On this turn his classification of forms, his adjustment of administrative machinery and, to a very large extent, his explanation of revolutions. And from this is derived that doctrine which has been so impressively confirmed by later history, that stability and prosperity are most to be found where extremes of wealth and poverty are unknown and the middle class is the strongest.

If *The Laws* of Plato leaves in one's mind the vague but unmistakable suggestion of an Atticized Sparta, *The Politics* of Aristotle leaves somewhat more distinctly the impression of a Spartanized Athens. This corresponds to the success of the later philosopher in combining in his thought the Hellenic and the universal. For no other Hellenic state was so universal as Athens. In both things material and things of the spirit she sounded the depths and crowned the heights of human nature. A genius peculiarly susceptible to Athenian inspiration must necessarily be in many respects as universal as humanity itself. Such a genius was Aristotle's, and such was the character of his philosophy. And hence it is that we find, in systems so diverse as those of military Rome, of the theological Middle Age and of the materialistic modern era, the essential features of political organization and activity explicable, and actually explained, on the lines of the Aristotelian analysis.

Wm. A. Dunning.

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REVIEWS.

Salmon Portland Chase. By ALBERT BUSHNELL HART. (American Statesmen Series.) Boston and New York, Houghton, Mifflin & Co., 1899. — ix, 465 pp.

Charles Francis Adams. By his son, CHARLES FRANCIS ADAMS. (American Statesmen Series.) Boston and New York, Houghton, Mifflin & Co., 1900. — vii, 426 pp.

Charles Sumner. By MOORFIELD STOREY. (American Statesmen Series.) Boston and New York, Houghton, Mifflin & Co., 1900. — 466 pp.

If it be a test of a good biography so to present the subject of it that one can form a reasonably clear conception both of his personality and of his relation to his times, it may be said that the author of the life of Chase has justified his undertaking. While that type of readers whose curiosity is satisfied only with the spicy and fanciful gossip of clubs and the small tittle-tattle of drawing-rooms may feel that they have still to wait for "the true Salmon P. Chase," the normal reader will find in what is here set before him a perspicuous and faithful account, written in a spirit of candor, both of the man and of his work. Chase is presented by Professor Hart as "the central figure in three episodes which are of great historic importance — the Western political anti-slavery movement, the financial measures of the Civil War and the process of judicial reconstruction." To the first of these the most space is given, and the last episode comes next in fullness of discussion. Financial measures, except where they fall within the domain of juridical law and judicial reconstruction, are dealt with in two brief chapters entitled "Taxation, Loans and Legal Tenders, 1862–63," and "National Banks and the Gold Question."

It is of the first episode that the author's treatment is not only the most ample, but also, in our opinion, the most happy. In the estimation of the part which the various parties and factions and individuals bore in the Civil War and in the period of Reconstruction there is perhaps no great deficiency in the historical conceptions of the present day; but, in the history of the anti-slavery agitation

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before the Civil War, due prominence has not been given to the distinctively political movement which prevailed, especially in the West, and which, being practical in its aims, was not disposed to sacrifice the Constitution and the Union to the object of immediately restricting the limits within which slavery was recognized. The issues involved in this political anti-slavery movement are well set forth, particularly in the chapter on Chase's term in the United States Senate — a term which covered the Compromise of 1850 and the Kansas-Nebraska Act. In his account of the passage of the latter, the author does full justice to the controversial powers of Douglas, frankly declaring that "Chase was no match in debate for this extraordinary man." But it may tend to mislead the general reader to say, in explanation of Douglas's views on slavery, that he "came from southern Illinois, and inherited the sentiment of its early settlers from the border slave States" (p. 137); although it doubtless is true that he readily imbibed and thoroughly assimilated the feelings of the community of which in early manhood he became a member. In conclusion, it may be stated that Professor Hart has made use of a large mass of manuscript material, the discovery and collection of which may be considered as in itself constituting a contribution to history.

The life of Charles Francis Adams is modestly styled by its author a "sketch"; and it may be so regarded in the sense that it is, as we are told, in part a preliminary study and in part the condensed abstract of a larger and more detailed work already far advanced in preparation. To those, at least, who have had the pleasure of reading Mr. Rhodes's last volume, it is not unknown that Mr. Adams kept a diary; and he also carefully preserved his correspondence, including copies of his own letters. While this rich accumulation will be more freely drawn upon in the larger work that is promised us, it has been used with great skill and judgment in the present biography.

As to the manner in which Mr. Adams discharged his duties in the course of a brief but eventful public career, there is, we believe, no difference of opinion. He was at times called upon to assume heavy responsibilities, but he never failed to rise to the occasion. When he was sent as minister to England, the state of our foreign relations was believed to be critical, and subsequent investigations have shown that this belief was correct. Fortunately, our representative at London, which was a sort of storm centre, both comprehended the situation and knew how to deal with it. Appreciating

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the reality and the intensity of the division at home, he did not cherish the delusive fancy that the breach might be healed by provoking a conflict with foreign powers. Hence, he conceived it to be his duty, so far as it could be "honestly" done, to prevent "mutual irritation from coming to a downright quarrel," believing that to adopt any other course would be "like throwing the game into the hands of the enemy." This policy, as his biographer declares, "guided his action at London from the day he arrived to the day he left." It was, however, a most difficult policy, to the success of which a disposition to yield too much would have been as fatal as an inability to concede enough. It required high intelligence, clear perception, nice discrimination, and withal tact and firmness. These qualities Mr. Adams exhibited in rare combination. He fitly closed his public career as one of the arbitrators at Geneva, where he not only rendered services of great importance, but also won, by the uprightness of his conduct, the commendation of both governments.

Of Mr. Adams's personal traits, no special characterization is attempted in the present volume; but, from what is disclosed of his words and works, it does not seem difficult to form a conception of him as a man. Possessed of a high sense of honor and incapable of prevarication, he had also, as we conceive, a strong sense of propriety, and was strictly observant of forms and conventionalities. Not hopeful, but determined — courageous without aggressiveness, he had too much good sense to be a pessimist; yet life was to him not a light and joyous matter, but in all respects a serious business, to be performed with dignity and decorum. It is not difficult to believe that he never fully recovered from the unfavorable impression made on him by Lincoln at their first and only official interview, in which the latter, in reply to the usual expressions of obligation, merely declared that the appointment was due to "Governor Seward" and then, stretching out his legs and swinging his arms over his head, dismissed the subject of the London mission by exclaiming to Mr. Seward, "Well, Governor, I've this morning decided that Chicago post-office appointment." The two men were formed and fashioned under conditions so radically different that the instantaneous recognition by each of the other's essential qualities was impossible. In neither case did the manner give the full measure of the man.

Mr. Storey has labored under the disadvantage, to which the authors of the two preceding works were not subject, of writing the

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life of a statesman of whom a biography of singular merit already existed. Mr. Sumner, however, naturally occupies a place in the "American Statesmen Series," and Mr. Storey's volume fulfills the end for which it was designed. Its style is forcible and straightforward, and the narrative is clear and animated. The author is in full sympathy with his subject, and it cannot be said that he affects greater impartiality than he exhibits. In some cases a less favorable view of those from whom Mr. Sumner differed would have been compatible with historic fidelity and justice. For example, in referring to the assembling of the Thirty-third Congress, the author states (p. 101) that the purpose of the "pro-slavery party" to use "the whole patronage of the nation" had been "declared by the new Secretary of State in the offensive phrase, 'To the victor belong the spoils.'" It is true that Mr. Marcy, twenty-five years previously, used a phrase similar to this, rather as a taunt than as a declaration of a peculiar policy, in the debate in the Senate on Van Buren's nomination as minister to England; but it is evident that this had nothing to do with the attitude of Mr. Marcy toward slavery at that time, and that it is an entire misconception to treat it as a declaration made in the interest of the "pro-slavery party" by Mr. Marcy, the Secretary of State who rejected the Ostend Manifesto, caused the resignation of Mr. Soulé as minister to Spain and opposed the recognition of Walker's government in Nicaragua.

Again, in discussing the subject of the Alabama claims and the differences between Mr. Fish and Mr. Sumner, Mr. Storey declares that Mr. Sumner "succeeded in having the instructions so drawn as to present the case against England substantially in accordance with his speech upon the Johnson-Clarendon treaty." This is easily tested. Mr. Storey correctly states (p. 365) that Mr. Sumner "claimed that our real grievance lay in the concession to the rebels of ocean belligerency." Mr. Fish, on the other hand, declared that the

> necessity and the propriety of the original concession of belligerency by Great Britain at the time it was made have been contested and are not admitted, and that they certainly were "questionable," but that the President "regards that concession as a part of the case only so far as it shows the beginning and the animus of that course of conduct which resulted so disastrously to the United States. It is important in that it foreshadows subsequent events."

This is anything but treating the recognition of belligerency as "our real grievance"; and the difference is of vital importance from the

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diplomatic point of view. This may be conceded, and yet it may be maintained that Mr. Sumner's speech powerfully affected the course of the negotiations and the result. Whether that result would have been attained if he had had the management of the negotiations, is a question upon the negative of which much might be said. Nor would such an admission detract from the just meed of his fame. The fact that his name is indelibly associated with certain ideals is sufficient proof of the consistency of his attachment to them, and it is by this standard that he is to be judged. In the ability to appreciate actual conditions, and particularly that most stubborn of all conditions, — human nature, — he was lacking. From the fact that he exhibited, as Mr. Storey says (p. 49), an "inability to realize his adversary's feelings," it is not unreasonable to infer that he was often unconscious of the strength of his own and of the extent to which he was affected by them. While this inference does not appear to be drawn in the volume before us, it is proper to say that Mr. Storey has set forth very fairly the particular traits which suggest it.

J. B. MOORE.

The American Revolution. By SIR GEORGE OTTO TREVELYAN. Part I, 1766–1776. New York, Longmans, Green & Co., 1899. — xiii, 434 pp. and a map.

This is a book of the very highest merit. It is history in a literary and human sense, admirably written, dignified but entertaining, full but not crowded, philosophical but not stilted. These are rare qualities, but every trained reader will mark them in the sustained interest which characterizes the volume from cover to cover. There are many things the author has not done: he has not written a second volume of his *Early Life of Charles James Fox;* he has not put great stress on the constitutional or legal aspects of his period; he has not painfully traced the evolution of colonial institutions, as divergent from those of Great Britain within the four seas; he has not penned a painstaking chronicle, checked by dates and checkered with the names of insignificant persons. In so far as he has given proportionate space and no more to each or all of these themes, he has perhaps disappointed his English readers or aroused in specialists a feeling of dissatisfaction. He has even done scant justice to Little England, and probably more than justice to the British Empire; and he brings but little material from the trickling, intermittent rills known to-day as unpublished sources. But he has done

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something uncommon and great: he has written, on a hackneyed theme, a volume which is new in its standpoint, fresh in its treatment and vivid in its characterization of men and society.

Yet, when all this has been said, there remain certain points about which intelligent opinion may well be divided. The historical procedure which expands and displays the most serious delinquencies of public men and then leaves the impression that weak human nature is a sufficient final plea, can in no sense be considered philosophical. The historian must represent his characters from their point of view, but must judge them from his own and without undue leniency. Sir George's leniency goes almost to the extreme of flattery when he delineates the English colonists of America. They had their virtues as he describes them, but they were, after all, "*Angli, non angeli.*" He falls into a similar error in discussing the relations between George III and his people. An aristocrat by title and jealous for his class, he seems to have forgotten that during that epoch, and that one alone of English history, the normal conditions of social alliance were reversed. England gained and kept her liberties by the joint efforts of barons and people, but the new Toryism of George III was so far successful as temporarily to bring the mass of the people into sympathy with the crown; and, as our author himself conclusively proves, it was the Whig aristocracy against crown and people which successfully put the copestone on the edifice of American liberty. George III and his people were in far closer touch with each other than is generally supposed; but the latter had hitherto never influenced foreign policy to any great degree, and it was largely their inexperienced willfulness which dragged him into a fatal course.

Our author, moreover, somewhat resembles the sculptor who is indifferent to anatomy. The outside is fair, but the reader wonders at times what the underlying structure really is. It would be difficult to limn finer portraits than those of Burke, Chatham, John Newton, Lord Dartmouth and Benjamin Franklin, as here given. But how did the king manage to conceal himself behind Dartmouth? And the eulogium of Franklin sounds like condemnation if, without any explanation of an unhappy fact, the overrated virtue of common sense breaks down in a great crisis, as Franklin's did. A splendid tribute is paid to the knights of the shire, as they were before the subdivision of county constituencies; but there is no adequate explanation of their distaste for personal government or of their failure to outwit the "king's friends." The truth is that social and personal history

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is delightful, and useful as well, when kept ancillary to the great structural evolution seen in political and institutional history, but not otherwise; usurping the foremost place, it distorts the truth.

We cannot in the least agree with our author's view of the American Revolution as a disaster. No piece of greater good fortune ever attended the development of our common civilization. The movement of colonial opinion and practice which began almost with settlement, was interrupted by the Seven Years' War and was completed in 1776, finds little consideration in this volume. Yet it is so essential to the theme that, without comprehending the facts, all else is vague. So vital was the divergence of constitutional theory here from that in England, that the success of the British arms, as we read between these veracious lines themselves, would almost certainly have precipitated a revolution at home as radical, as violent and as disastrous to growth as the Continental revolution of 1789. Perhaps political disruption might have been avoided under the establishment of a personal absolute monarchy, for success would have meant nothing less; but in any case social disintegration, comparable to that of France, would have checked any expansion for an indefinite time. As it was, the dualism established by American independence has steadily wrought to the advantage of both democracies; the decent, law-abiding, energetic democrat of any and every nationality can to-day find under one or the other of the two flags whatever polity he likes best, social and political, and fields of enterprise conterminous with the globe. To have subdued a people of dissenters, to have repressed discontent by might, to have established an untimely centralization in America, military and political — in other words, to have hooped the English cask and driven in the bung, might have restored unity, but such unity as means ferment and ultimately explosion.

WILLIAM MILLIGAN SLOANE.

The United Kingdom. By GOLDWIN SMITH. New York, The Macmillan Company, 1899. — Two volumes: 650 and 482 pp.

These volumes illustrate the variety of lessons which can be drawn from the record of the past; and they show to what extent the value of a history depends, not upon the facts which it narrates, but upon the manner in which they are presented by the narrator. In this work there is, in one sense, little that is new. No important facts in English history remain undiscovered; there is nothing novel in the growth of the English constitution which can be unearthed by any

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historical student; and yet these volumes are interesting and valuable — because they are written by Goldwin Smith.

Any one familiar with his other writings would be sure that there would be no lack in interest. Mr. Smith possesses a style which is always agreeable and often brilliant. One could make a large collection of the apt and happy expressions found in the present volumes, and often an important political truth is stated with extraordinary felicity. The difference in political methods at a distance of three centuries is thus concisely stated:

> The aristocratic factions, or connections, as they are styled, of the Hanoverian era fought for power and pelf with political weapons, and the vanquished lost their places. The aristocratic factions of the fifteenth century fought for power with their swords, and the vanquished lost their heads.

And with equal felicity he speaks of the growth of English law:

> The common law held its ground and remained a strong though uncouth bulwark of personal right and liberty. What it had received into itself of Roman law seems to have operated as a sort of vaccination.

Mr. Smith is delicate of touch in his treatment of some questions. Speaking of the troubles which the episcopate encountered under Elizabeth in the matter of consecration, he says:

> The story of the consecration at the Nag's Head without the requisite forms is an exploded fiction. Yet it must be owned, if apostolical succession is essential to spiritual life, that the spiritual life of the English church and nation here hung by a slender thread.

And again, in discussing members of the House of Lords under James I, he says:

> They are no longer territorial potentates or leaders of the national force. They are simply persons of quality with large estates, to whose titles social, to whose domains local, influence is attached. The crown is the fountain of their honours. Some of them have paid round sums to make the fountain flow.

We could be sure that in any book written by Goldwin Smith he would express his views — we may sometimes say his prejudices — without concealment. We should not have expected to find him among the anti-Semites of Vienna and Paris, yet he seems to sympathize with the banishment of the Jews under Edward I. After speaking of the popular hatred in which the members of that race were then held, he continues: "That the Italian financier came in place of the Hebrew and reaped a measure of the same hatred is true; but he

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did not threaten England with the perpetual ascendency of an alien and unassociable race." It may be that the Jews, both in the past and in the present, have shown such visible superiority over most Continental peoples that they can obtain among them a "perpetual ascendency." But neither the average Englishman nor the average Yankee has ever had any cause to fear the commercial ascendency of the Jews.

Another of Mr. Smith's prejudices is manifested so frequently in this book as almost to excite amusement. He has an unconquerable hostility against what has been regarded as one of America's most important gifts to the world. For food, he says in one place, "the peasant was being driven to the barbarous and precarious potato." "The potato continued to beget low culture, uncertain harvests, periodical famines, and at the same time a reckless increase of population." And again he counts among the misfortunes under which Ireland suffered, "small holdings, spade tillage, life in hovels and the potato"; and he stigmatizes it as a "treacherous tuber." It seems hardly fair to calumniate a vegetable that has done so much to nourish the world, because its produce has not always reached the highest possible figure.

When the history of a nation is to be told in two volumes, even events of great importance must receive brief discussion. Less than twelve pages are devoted to the American Revolution. Goldwin Smith has always been a true friend of the United States, and he discusses the beginnings of our career with fairness — not, indeed, describing the Revolutionary fathers as heroes without fault or guile, but as men who, on the whole, did good work in the right cause. Occasionally, however, his criticisms on American life and institutions are somewhat harsh. Speaking of Hampden, he says:

> He stands in history the type of a character which England has failed fully to transmit, as she has failed fully to transmit political independence generally, to her offspring in the New World.

I am not sure that this is correct. Such characters as Hampden are revealed to the world, not in the piping times of peace, but in great national crises. In everyday life we see little of them, but in times of stress they have not been lacking in our own land; nor has political independence been unknown among England's offspring in the New World. If men of Hampden's type are rare in our days, they were also rare in the days of Hampden.

Mr. Smith has described the changing phases of eight hundred

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years without sign of weariness and with unfailing sympathy for the cause of progress. His own life, the part he has taken in questions of the day, assures us that his heart would be with those who in the past labored for better government and greater freedom, and he does not discuss historical problems with the chilly analysis of those who lose all human sympathy in their endeavor to trace the scientific evolution of humanity.

In his preface Mr. Smith refers to the fact that his task has been performed by the hand of extreme old age. Certainly, with advancing years, his hand has not lost its cunning, nor his mind its clearness. He has escaped the worst intellectual evils of age—the loss of sympathy with the present and the lack of confidence in the future. If his literary work is now ended, *The United Kingdom* will form an honorable close to a long and honorable career.

ROCHESTER, N. Y. JAMES BRECK PERKINS.

The English Radicals. An Historical Sketch. By C. B. ROYLANCE KENT. London, New York and Bombay, Longmans, Green & Co., 1899. — xii, 451 pp.

English Political Philosophy, from Hobbes to Maine. By WILLIAM GRAHAM. London, Edward Arnold, 1899. — xxx, 415 pp.

In these two works the political ideas of Englishmen during recent centuries receive from different points of view a fairly exhaustive treatment. Mr. Kent's book covers the period from the middle of the eighteenth century to the present day, while Professor Graham's begins a century further in the past. Although, as the two titles indicate, the purpose of the former work is less comprehensive than that of the latter, to a considerable extent the subject-matter is identical. Professor Graham makes his work a study of the thought of Hobbes, Locke, Burke, Bentham, J. S. Mill and Maine. Of these six, Burke incidentally and Bentham and J. S. Mill as chiefs of Radicalism are treated pretty fully by Mr. Kent.

In method of treatment, however, the two works are widely different. In *The English Radicals* we have a certain degree of attention to the forms and changes of principle and dogma; but the work is, on the whole, a series of personal sketches, abounding in anecdotes and highly flavored with the conversational and Parliamentary *bon mots* on which the historians of English politics are so

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fond of dwelling. From Wilkes, through Cobbett, "Orator" Hunt, Grote and the Mills, to John Bright, all the personages who became conspicuous in opposing the aristocratic government of England are put before the reader in a bright but rather scrappy way, without so much attention to their philosophy as unduly to divert the reader's interest from the clever things that were said by or about them.

Mr. Kent's scrapbook seems to have been so plethoric as to render really inexcusable the repetition of some of the quotations. On page 270, for instance, the remark of Burdett and Hobhouse, "that none but fools demanded pledges and none but fools gave them," is fresh and significant; on page 416 it sounds stale and flat. Exceptions may be taken, also, to Mr. Kent's division of his subject. He divides the book into three long chapters, covering respectively the periods 1761–1789, 1789–1831, and 1831 to the present. The historical basis of this division is obvious; but while the French Revolution and the Reform Bill marked epochs in Radicalism, as in all other social and political movements, there must surely be discernible in the history of the Radicals some more special and characteristic basis of classification, which would obviate the necessity of bracketing Bentham and James Mill with "Orator" Hunt, and John Stuart Mill with Feargus O'Connor. In short, the chronological division is rather crude and unsatisfactory, and a grouping of Radicals according to shades of doctrine and methods of propaganda would contribute much more to clearness of treatment.

Professor Graham's method of dealing with his subject is simple. He presents essays on the six thinkers mentioned above, and each essay consists of, first, an exposition of the writer's thought and, second, a criticism of that thought. The exposition embodies an analysis *in extenso* of the chief political writings of the respective authors. This branch of the work is thoroughly well and faithfully done. In the case of Bentham and Mill the author has possibly included in his analysis rather more of their voluminous output than was strictly necessary; and in a number of places throughout the work Professor Graham's conscientious effort to keep exposition and criticism entirely distinct temporarily fails, with the result that an injected comment gives rise to some confusion as to whose ideas the reader is dealing with. But these faults are venial, and they detract but very slightly from the substantial excellence of the work.

As to the critical side of the work, while the utmost respect is due to the candor and fairness of his comment, Professor Graham cannot, of course, expect a universal agreement with his judgments. In a

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general way, I should feel that he did rather less than full justice to Bentham and Mill and, on the other hand, somewhat overrated Locke and Burke. The most fundamental dogmas on which his criticism rests are, first, the inherent truth of the theory of natural rights and natural law and, second, the scientific necessity of the historical method in political philosophy. Hobbes, therefore, is held lacking in having rejected the historical method, and Maine in having rejected natural law. On the other hand, each of these writers receives Professor Graham's enthusiastic approval, so far as they accept respectively the *other* of his fundamental dogmas.

The criticism of Hobbes might easily have been more favorable than it is, if the critic had treated the system of the *Leviathan* as abstract and universal philosophy, rather than as peculiarly applicable to England (*cf.* pp. 43, 44), and had recognized — what is so easily recognizable — that the doctrine of Hobbes as to the powers of sovereignty is almost unqualifiedly valid, when applied to the sovereign as distinct from the government and to all the forms of state rather than to monarchy alone (*cf.* pp. 25, 26). Locke's theory of the social contract the author regards as having its chief importance in suggesting that of Rousseau. As a consequence of this view, the character and influence of the French writer's work receive considerable attention. The close philosophical relation of Rousseau to Locke is beyond question; but Professor Graham's ideas as to the bearing of the former's work on the French Revolution are of too conventional a type to do him credit. To attribute to the "sovereign people" the taking of the Bastille, the maltreatment of the king and the other excesses of the Paris mob, and to lay the responsibility for these things exclusively or even chiefly upon the philosophy of the *Contrat Social* (p. 68), indicates a point of view more closely allied to that of Carlyle's rhapsody than to that of the historical method which the author so justly admires. A grossly exaggerated conception of the novelty and influence of Rousseau's theory is manifested throughout Professor Graham's work and constitutes a distinct weakness. On page 389, for example, the "*a priori* ideas deduced from the assumption of a state of nature and the law of nature," which Maine sought to clear away, are declared by the author to have "emanated from the speculations of Rousseau." And elsewhere the contract theory of the state and society is ascribed, so far as its greatest significance is concerned, to Rousseau's development of Hobbes and Locke. These views ignore entirely the fact that the concepts "natural law," "state of nature" and

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"contract" had, even before Hobbes wrote, become so axiomatic in European political theory as to condition the speculations of all thinkers upon the subject. At the beginning of the seventeenth century Mariana, the Spanish Jesuit, described the state of nature in terms that form a startling anticipation of Rousseau; and Althusius, the German Protestant, elaborated a contract theory of society and government that left little to be filled in by his successors. It was not in the scope of Professor Graham's work to describe the thought of these men; but, if he had to go to the Continent at all, it was misleading and unscholarly to heap upon Rousseau alone the responsibility for a body of doctrine which was in fact centuries old and universal in his day. And it seems to me a further grave error in historical proportion to ignore the influence of Montesquieu upon the theory and practice of the revolutionary epoch. This is, indeed, only one phase of the author's general tendency to look upon the excesses of the mobs, both within and without the Convention, as philosophically the most characteristic facts of the French Revolution.

Of all the writers considered by Professor Graham, Maine receives perhaps the warmest approval, largely on account of his theoretical and practical adoption of the historical method. But in "the denial, express or by implication, of natural law (and natural justice)" lies, according to the author, the "great defect in Maine's conception of jurisprudence." The section (pp. 377–388) in which Professor Graham undertakes to show the error of Maine's doctrine manifests even a higher degree of vagueness and lack of analytical power than is usual in the support of "natural law." The "law of nature" is, according to Professor Graham, "the most important part" of the moral law.

> It is pointed out by conscience or moral sense or moral perceptions, that particular part of the moral field which concerns justice, the rules of which can be laid down with greater precision than in the case of the other virtues, and which, provided they are fit to be enforced by the public sword, is natural law in a special sense.

This lucid description is followed by incoherence after incoherence, by hopeless jumblings of legal and ethical conceptions, and by inexplicable misinterpretations of all that the analytical jurists have thought or said. The section is a serious blemish upon an otherwise excellent book.

WM. A. DUNNING.

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The New Democracy: A Political Study. By W. JETHRO BROWN, Professor of Law and Modern History in the University of Tasmania. London, The Macmillan Company, 1899. — ix, 215 pp.

This work is appropriately titled — coming, as it does, from the pen of a professor in the University of Tasmania and devoted, as it is, to a consideration of some of the special problems of Australian democracy. The Australian colonies are to-day furnishing us, in purer form than can elsewhere be found, the results of an application of democratic principles to society and the state. For this reason, if for no other, the work we have to review is welcome.

While accepting as absolutely valid the principle that governing powers should ever be subject to the control of public opinion, Professor Brown recognizes that the satisfactory realization of this in practice is by no means easy. The cynical student of modern politics, he says in his preface,

> may be disposed to remark that democracy is an excellent form of government but for two difficulties : no means exist for securing the adequate expression of public opinion, and the opinion would be of little value even if such means could be found. Most impartial men will dissent from such a view, yet it enjoys the merit of defining the two fundamental difficulties of present-day politics — how to express public opinion and how to improve its value.

In a representative democracy, then, we have to solve these two problems: How to secure a governing body that will be truly representative of the electorate for which it acts, and how to obtain such a general moral and intellectual enlightenment as shall lead to the selection of suitable officials and shall subject them, when selected, to a proper pressure of the public will.

In a chapter entitled "The Study of History in Relation to the Problem of Character," Professor Brown advances the view that, as compared with all other politically educative influences, that which comes from the study of history, when properly pursued, stands preëminent.

> Above all other questions [he says] towers the question of character. The standard of public opinion must be raised by education, by general and systematic instruction in, or study of, some subject which can arrest the attention, sustain the interest and improve the political judgment. The purpose of the present chapter is to secure a more general recognition of the possibilities which history affords of achieving such ends.

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That Professor Brown well establishes the relatively high value of history as a political discipline, there can be no question. But to ascribe to it the efficiency which he gives it is extreme. Something akin to Godwin's belief in the potency of intellectual enlightenment is necessary, in order to see in the study of history anything more than one of the very many instruments that must be relied upon to create a satisfactory public opinion.

As regards the securing of a truly representative body, our author is a firm believer in the Hare system — a system which he says has never been condemned by experience or opposed by an argument not founded on prejudice. Without adding anything distinctively new to the discussion of the merits of this well-known scheme for securing minority representation, Professor Brown gives a conspicuously clear explanation of it; and, moreover, he presents much interesting information as to the results that have followed its recent introduction into Tasmania.

As regards the value of the referendum, a negative view is held, and the usual objections to it are skillfully stated.

> For the successful working of democracy under existing conditions we need great men to lead it, skilled men to carry out its decisions and, finally, effective means for securing that its deliberate judgment shall be the standard of legislation. To each of these requisites, the principle of the referendum is directly and manifestly opposed. By attributing ultimate authority to the fluctuating majority, it must tend to drive strong and independent men from politics, to lower the standard of legislation and to increase the sense of popular despotism. It is an undue sacrifice of the qualities which go to make efficiency of government to the considerations of a slightly increased sympathy and a slightly increased educational influence. As such, its principles must be condemned. It is a desperate remedy, which can only be justified by a desperate disease.

A concluding chapter and an appendix of considerable length are devoted to the problem of federating the several Australian colonies. This portion of the work will impress the American reader as commonplace. Possibly, however, this may be due to the fact that to us the general arguments for and against the federal form of government are so familiar that a restatement of them necessarily seems trite.

Professor Brown writes pleasant and accurate English; and his observations, though sometimes obvious, are on the whole eminently sound. One point he makes, however, that is well worth being borne in mind, especially by those who indulge in a general criticism of

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the new democracy. This is, that it is not proper to attribute to popular government all of the political corruption and social distress that now exist. Much of this corruption has been the almost inevitable result of material progress, and might easily have developed under any form of government; and many of the social and political problems that remain still unsolved are due rather to the growing complexity of human affairs than to a regulative inefficiency peculiar to governments popularly controlled.

W. W. Willoughby.

Johns Hopkins University.

The New Pacific. By Hubert Howe Bancroft. New York, The Bancroft Co., 1900. — 738 pp.

This work is almost *sui generis*. It fits into none of the accepted categories, either literary or scientific. Statistics, economics, sociology, history — all are laid under contribution; but the book is more than a compilation from these sciences. There is something over and above, which is perhaps best described as the personality of the author, his views of men and history, his "criticism of life," his confession of faith. It is perhaps best conceived as a piece of imaginative literature, embodying in almost equal proportions fact and fancy, history and prophecy, all clothed in a style of singular charm.

Beginning with a comparison of the Pacific under the old Spanish régime and to-day, the author takes up successively the year 1898, — which will surely go down in history as a new *annus mirabilis*, — Spanish misrule in America, the Spanish War, the problem of expansion, the terms of peace, the attitude of other nations, the Far East, Europe in Asia, the Pacific Ocean and its borders, the canal question, the resources, climates, mines, manufactures and commerce — present and future — of Pacific lands, the South Sea Isles, Hawaii, the Philippines, race problems, notable voyages, Crusoe Island, the pirates, the Terrestrial Paradise (of Dante), and Calafia, queen of California. A glance at this list of topics suffices to show the wide scope and scholarly character of the work. Indeed, the information here collected is perhaps too extended for the general reader, or even the scholar, while necessarily falling short of the minuteness necessary for an "exporter's guide." And its use as a reference work is rendered difficult by the fact that the title of a chapter is no indication as to what may be found therein, though this defect is partially made good by an excellent index.

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As already indicated, the book is one of opinions, quite as much as of facts; and there are certain opinions which constantly recur. For the Spaniard and all his works the author has only execration, and the facts which he cites might well give pause to even the extremest sentimentalist. He also considers the Latin race as a whole to be hopelessly decadent, wherever established; naturally, therefore, he holds Cuba and the Philippines to be incapable of self-government. His special aversion in the United States is the Pacific railway "octopus"; next to that, the negro. He is especially interested, on the other hand, in the Chinese, whose exclusion he never wearies of denouncing; in the Nicaragua Canal, which he shows to be a national necessity, alike from the commercial and the naval points of view; and in the American merchant marine, whose decadence he conclusively shows to be the one weak spot in our economic system.

On some fundamental matters, however, the author apparently does not know his own mind; for his confession of faith is wavering and contradictory. Thus, he hails the intervention in Cuba as the greatest example of international morality yet recorded; and he pays eloquent tribute to the moral exaltation, the quickened sense of responsibility, the larger horizon, the better quality of manhood in politics, which have resulted from the Spanish War. He penetrates and unmasks the pretended "Republica Filipina," scoring the pseudo-patriot Aguinaldo most mercilessly and demanding the suppression of the rebellion at all costs. He even accepts the doctrine of the struggle for existence and the survival of the fittest among nations, repudiating the "consent of the governed fallacy," and declaring that "progress shall be ever a struggle between the better and the worse, and that to the strong it is given to determine the issue" (p. 142). Yet — almost in the same breath — he stigmatizes war as robbery and warriors as murderers, in obvious forgetfulness of the fact that epithets are not arguments; as witness the following passages, chosen at random among scores of similar tenor.

> How civilized must be the civilization, and how savage the savagism, before the Author of all people may be invoked to witness the righteousness of the robber's cause?

And again:

> All good pirates in the reign of Elizabeth were knighted, just as the good generals of our day are given degrees by universities . . . simply . . . to encourage the art of killing. One steals well, another kills well, and

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those who have read to them in the churches at a price per annum "Thou shalt not steal; Thou shalt not kill" thus exalt the thief and murderer [p. 687].

At this point the reader will be pretty sure to ask himself, "Which of these two irreconcilable doctrines does Mr. Bancroft really believe? Or is he trying to be impartial, by virtue of going to equal extremes on the two sides of the question?" Akin to this confusion of mind, or perhaps the result of it, is the author's even more marked wavering on the Chinese question. After repeatedly and violently denouncing the exclusion of the Chinese, heaping abuse on all who favor it, and looking forward to the time "when the barriers of race prejudice shall be removed and unrestricted intercourse established" (p. 458), he concludes, only two pages later, that

> the Asiatic will learn and will labor, if not abroad, then at home. And in this way the nations of the Pacific will be brought together in a better relationship than that of a nation of people or race amalgamation.

Mr. Bancroft's chapters, pages and paragraphs fly at each other's throats in the mutually destructive manner of the Kilkenny cats; and it is a serious question, what is left of his book after it is all over.

In so extensive a work, errors of omission and commission are to be expected. Misprints are rather frequent. The population of Mexico is only twelve, in place of twenty millions (p. 590): D. Romero estimates that, including wandering Indians, it may reach fifteen millions. It is startling to find classic Samos (p. 411) in the Philippines. General Miles is made to perform the remarkable feat of landing at *Guantanamo* and marching, in two days, to Ponce. Probably Guanica was meant. The assertion that "throughout the entire South the increase is at the rate of three black to one white" (p. 605) is a gross misstatement of facts. Mr. Bancroft would do well to consult the last census, which showed a relative decrease of negroes, as compared to the whites in the South. The negro question is serious enough, in all conscience, without thus exaggerating it. What authority there may be, other than Napoleon's dictum, for calling the Russians "a tribe of Tartars, distantly related to the Chinese," does not appear. Indeed, the author's anthropology is shaky in several places. For example, on page 375 he says that the natives of New Guinea "are of a medium stature, in color a *Polynesian brown*, and are altogether about the lowest of the

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Malayan race." It would be difficult to pack more errors into one sentence. The bay of San Louis d'Apra, island of Guam, is described (p. 370) as "a broad expanse of protected waters capable of giving safe anchorage to a hundred of the largest ships." Reference to the U. S. Hydrographic Office Chart, or Admiral Bradford's article in the *Forum* of February, 1899, would have revealed the bald fact that this "great bay" is merely an open roadstead, so filled with coral banks that vessels must lie two miles offshore. Why our government passed by a score of splendid harbors in the Carolines to acquire this unprotected spot, is the one unsolved mystery of the war. That some one blundered most woefully in drawing up the peace protocol is, however, only too evident.

In this connection, it may be well to note that the chief error of omission relates to the lesser groups of the Pacific. There is nowhere any connected description or adequate appreciation of their importance, with special reference to routes of trade and communication. Size is a very poor measure of value, in spite of our American tendency to identify them — a fact to which Gibraltar and Malta bear witness. The immense strategic value of Samoa is not realized. The Marquesas and Galapagos islands, lying in positions of the greatest importance relative to the future canal, are scarcely mentioned. No reference whatever is made to the Sporades, lying between Hawaii and Samoa, which are indispensable for cable stations, and without which, consequently, the great harbor at Pago Pago, which we have been at such trouble and expense to acquire, is useless. Magdalena Bay, in Lower California, a harbor better even than San Francisco and destined from its position on the way to the canal to prove of immense importance, is totally ignored — an omission strange indeed for a Californian. Finally, while the desirability of acquiring the Carolines is recognized (p. 370), their resources, harbors and commanding strategic importance are nowhere adequately treated; nor is there a word to indicate the supreme folly of allowing a foreign and rival power to acquire a chain of excellent harbors, easily made impregnable, flanking and commanding for 2500 miles our route to the Philippines. This is simply to give an antagonist a secure grip on our throats, for use whenever he feels so disposed. Mr. Bancroft missed a great opportunity in not bringing these facts home to the public, that the responsibility may be placed where it belongs.

ST. PAUL, MINN. EDWARD VAN DYKE ROBINSON.

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A Municipal Program. Report of a Committee of the National Municipal League, November 17, 1899, together with explanatory and other papers. New York, published for the National Municipal League, by The Macmillan Company, 1900. — xiii, 246 pp.

This municipal program represents the ripe result of the work of a committee of the National Municipal League, appointed at its Louisville conference in 1897, and consisting of Mr. Horace E. Deming (chairman), Mr. George W. Guthrie, Mr. Charles Richardson, Professor Frank J. Goodnow, Professor Leo S. Rowe, Dr. Albert Shaw and Mr. Clinton Rogers Woodruff, secretary of the League. After very thorough study and conference, and after the discussion of its proposals at two meetings of the League, the committee presents this program with a practically unanimous recommendation as to all its provisions.

The program consists of a series of constitutional amendments and a general municipal corporations act, suitable for adoption in any state. These cover all really fundamental matters relating to the government of cities; and yet so carefully have they been framed and so broad are the provisions that the entire space occupied is only forty-eight pages. In connection with the program itself are printed a number of papers by Messrs. Deming, Shaw, Goodnow, Rowe and Richardson of the committee and by Dr. John A. Fairlie, Dr. Delos F. Wilcox and Hon. Bird S. Coler. These papers, which are all essentially representative of the opinions of the committee, constitute not only a thorough explanation but also a very effective defense of the proposed legislation. Taken altogether, the volume is the most clear and authoritative presentation yet made of the general character and working of American municipal organization and methods and of the changes that are desirable in them. While opinions may differ as to certain features of the program, no one can doubt that, if enacted, it would prove vastly superior to any municipal system now existing in the United States.

The committee has taken special pains to define the relation of the city to the state. It believes that one of the chief sources of municipal evils has been the failure to give the city a sphere of activity of its own, and at the same time to provide for proper supervision by state administrative, not legislative, authorities over the execution of state functions by city officers. Accordingly, the committee has recommended a large number of constitutional pro-

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visions, making the city a distinctly recognized part of the scheme of government and putting many features of its organization outside the control of the legislature. As the thing most essential to make the city independent as to properly local activities, broad general powers are conferred upon it, in place of the minutely enumerated powers hitherto usually granted. The constitutional amendments further declare that the city government shall be the sole authority for executing state laws within its borders, except so far as special state offices are established by laws applying equally to all cities. Special legislation regarding cities is not absolutely prohibited, but a bill relating to cities which does not apply to all the cities of the state must be passed by a two-thirds majority of the state legislature and must be submitted to the council of each city affected. If any council disapproves the measure, it must be re-passed by a two-thirds vote, including three-fourths of the members of the legislature from districts outside of the cities affected. As a still further concession to the principle of municipal home rule, the committee recommends that any city of over 25,000 inhabitants may establish a board to frame a special charter for the city. Such a charter becomes law on being ratified by popular vote. The provision that it shall be subordinate to the general laws and constitutional provisions prevents danger of excessive diversity.

As an illustration of the wide conception of municipal functions entertained by the committee may be mentioned the provision that cities may construct or buy and operate street railways, or other means of transit, and lighting, heating and power systems of all kinds. In fact, the committee appears, in some of the papers submitted, to favor public ownership, in preference to regulation of private ownership. It recommends that franchises be limited in duration to twenty-one years. One may doubt whether this limit is "amply sufficient to offer all necessary inducements to private corporations."

The committee has seen fit to provide that city debts shall not exceed a certain percentage of the assessed valuation of real and personal property in the city, although money borrowed for revenue-earning enterprises is not reckoned in fixing the limit, so long as these continue actually to meet the debt charges. The committee also suggests a limitation on the tax rate. It may, perhaps, be doubted whether true economy can be materially furthered by such restrictions. Moreover, a limitation based upon the valuation of real and personal property implies the continuance of the almost exclusive use of the general property tax, which has proved so pecul-

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iarly unsuccessful in cities. It might have been proper to permit the state legislature or the local authorities to establish new forms of taxation more adapted to modern municipal conditions.

In regard to the organization of the city government, the most fundamental aim of the committee is the separation of executive from legislative powers. Although this involves, in its opinion, great authority in the hands of the mayor, it is thought that the city council also can become a powerful body, especially on account of the transfer to it of powers hitherto exercised by the state legislature. The council, too, is given the final power over the city budget; although it may not increase the total or any item, as proposed by the mayor. The committee has been wise in omitting the provision found in many recent charters for a board of estimate and apportionment composed primarily of executive officers. Even where such a board is not given final power in the budget, it is bound to have a moral influence so strong as practically to restrict the financial authority of the city council very greatly.

The city council, according to the program, is to be composed of a single chamber. The members are to be elected for six years, one-third retiring biennially, according to the well-approved lines of the English and German practice. A city may also by popular vote adopt a system of proportional representation in its council or a system of direct legislation by the people.

The mayor is to be the only administrative officer elected by the people, and his term is fixed at two years. The city comptroller is to be elected and may be removed by the council. No other executive officers are specifically provided for, but the council is permitted to establish such as it deems necessary. The chief officer of each department is to be appointed by the mayor, subject to no limitations. All subordinate officers are to be appointed on the basis of civil-service examinations. A most interesting proposal is that all executive officers, except the mayor, shall have indefinite terms of office. It is believed by the committee that the true conception of municipal service should be that it is a trained profession. Yet, for the sake of discipline and efficiency, the mayor is permitted to remove any officer summarily, on the sole condition that a written statement of the reasons for removal shall be made public.

It is impossible in brief space to discuss the practicability or the desirability of such thorough separation between the executive and the legislative departments as is undertaken by this program. It is greatly to be hoped that, were it adopted, the council with the added

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powers conferred upon it might become a sufficiently influential body to attract able and worthy members; but if, as is implied in some of the papers, city government is primarily administrative, there is certainly danger that the attempt to confine the council to so-called purely legislative functions may in practice mean the concentration of almost all powers in the hands of the mayor and continued degeneration of the council. It is doubtful whether a very sharp line can be drawn between administration and legislation, especially as regards city affairs. Moreover, there is at least a fair chance that more effective control over the administration could be secured by making executive officers continuously responsible, within certain limits, to the city council, than by trusting solely to the responsibility of the mayor to the people, enforceable only at intervals of two years. So long as there is no direct method by which the mayor can guide the actions of the council or the council control the actions of the mayor and his subordinates, one may doubt the practical efficiency of the provision suggested by the committee, permitting executive officers to attend council meetings and requiring them, when requested, to attend and answer questions. Would it not perhaps be feasible, at least by gradual evolution, to establish in city government something akin to the cabinet system, in which close harmony, rather than separation, of executive and legislature should be sought?

E. DANA DURAND.

WASHINGTON, D. C.

The Government of Municipalities. By DORMAN B. EATON. New York and London, The Macmillan Company, 1898. — 526 pp.

Among the innumerable books upon municipal government published during the past decade, none has appeared that will prove more suggestive to the student or to the man of affairs than this last work from the hand of the late Dorman B. Eaton. As the fruit of a long life, devoted, on the one hand, to the practical matters of a lawyer's career and, on the other, to an earnest study of contemporary political movements, the work is to be commended for being so comprehensive in its scope and so judicious in its treatment of the controverted problems which concern the organization and administration of our cities. While our ideas may differ from those of the author, both on the analytical and on the constructive sides of his work, we must grant that in the array of historical mate-

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rial and the marshaling of the facts, he has shown himself to be the ablest exponent of those principles and measures of local government which he has endeavored to set forth.

The evils of our city government are shown by Mr. Eaton to be in no small degree due to the lack of the recognition of a definite sphere of municipal action, freed from the trammels of legislative control. But the primary problem of good local self-government — the fundamental condition of good city administration, as he conceives it — is to bring the worthiest and ablest citizens into the municipal offices. This, in his opinion, is the end to which all other efforts should be subordinated, and to its attainment he looks for the solution of the various evils presented. In proposing the measures requisite to bring about this result, the author fully recognizes the need of framing our municipal system in harmony with our constitutional principles and our social life — of a true adaptation of legislation to existing conditions.

The measures suggested include the abolition of national and state politics from municipal affairs; the introduction of a primary system which, together with proportional representation, shall give the voters a direct and effective influence in the choice of elected officials; and an adequate civil service for the purely administrative offices.

> All other forces [says the author] which tend to defeat Home Rule in cities are insignificant compared with that of parties and their managers. . . . Experience has shown not merely that party rule has been more corrupt in cities than elsewhere, but that it has been more despotic, and more destructive of manly independence in the whole range of citizenship from the laboror to the great merchant.

To sustain these propositions, there follows an elaborate exposition of the system, theories and methods of Tammany Hall. It would be difficult to present a more forceful arraignment, supported by appropriate testimony, of that class of organizations of which Tammany is the type. While it might be contended that the argument is not altogether pertinent to prove that state parties are a necessary evil in municipal politics, no one can fail to recognize the value of so powerful a portrayal of the corruption inherent in the system of a strongly centralized and uncontrolled local machine like that described.

The recommendations of the author as to the detailed reforms advisable in local elections are in general worthy of acceptance. The merit system for subordinate administrative officials, with a

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practically permanent tenure for efficient officers, meets the approval of every well-informed student of the subject. The application of free nominations and free voting to municipal elections is certainly a consistent recommendation, but the author as certainly overestimates the force of the testimony of American experience in this direction. As if confessing a misgiving as to the absolute value of any such method, he favors a restriction of the municipal suffrage by educational, if not property, qualifications; and he continually lays emphasis upon the duty of the best citizens to promote the acceptance of sound principles and to be active in securing the nomination and election of competent officials.

Chapters upon the functions of mayors and city councils and of the several departments of administration and a commentary upon the new charter of Greater New York complete the book. It may be easy to criticise this work for the localism of its treatment and for its open advocacy of the principles accepted by the adherents of one branch of the municipal reform movement; but the answer to these objections is that the book is by far the most able and forceful exposition of those principles that has yet appeared. The thought is vigorous and sustained throughout; the style is clear and pointed; not a page of the entire work is without its suggestive statement and appropriate illustration. And when we feel the scholarly devotion and earnest patriotism which the writer breathes through the entire book, we may freely assert that it deserves to be accepted as the crowning work of a long and well-spent life.

UNIVERSITY OF ILLINOIS. C. W. TOOKE.

Municipal Functions. A Study of the Development, Scope and Tendency of Municipal Socialism. By MILO ROY MALTBIE, Ph.D. New York, The Reform Club, Committee on Municipal Administration, being the December, 1898, issue of *Municipal Affairs*.

Students of municipal government throughout the country have had good reason to thank the municipal committee of the Reform Club for its work during the last few years. The library of municipal reports, books on city government and magazine articles on allied topics which the committee has collected is probably the best of its kind in the country. The first number of the committee's quarterly magazine, *Municipal Affairs*, was devoted to a bibliography of city conditions and problems, and this bibliography has been kept up to date in the succeeding issues of the magazine. One other

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notable contribution to the literature of city government published by the committee was Colonel Waring's last report on street cleaning, which was suppressed by the newly installed Tammany authorities of New York City.

Dr. Maltbie's painstaking monograph on *Municipal Functions*, which is the subject of this review, is the third of the important publications brought out by the Reform Club's municipal committee. The data for this monograph were secured, in large measure, by correspondence with municipal officials in different parts of the world, a schedule of questions having been prepared for the purpose. The scope of the report will be understood best by quoting from Dr. Maltbie's prefatory note. He says:

> The city of the past is not the city of the present, and so far as the city of the future can be anticipated, it will be more largely a development of conditions that are comparatively recent than of those which have become historic. To a large extent, however, our present and immediate development is influenced by the impetus of forces already obsolete, or fast becoming so. . . .
>
> It is, therefore, attempted below, *first*, briefly to discuss the historic development of municipal functions; *second*, more fully to consider the scope of present municipal activities; and, *third*, to analyze the various forces which determine the extent of municipal socialism, to discover present tendencies, and to forecast future developments. No attempt has been made to discuss the proper scope of municipal functions.

In pursuance of this plan, Dr. Maltbie devotes one interesting chapter to a sketch of the ancient city-state and the development of municipal life in Italy, France, Germany and England during the middle ages. A brief general chapter on "The City of To-Day" brings the reader to the main body of the work — that is, the description of the functions of municipal government, as they exist at the present time. As some classification is necessary, the author devotes six chapters to six groups of functions designated as protective functions, charities, education, recreation, street facilities and industrial functions. Each group is loosely subdivided; and under each subdivision the conditions existing in the principal countries of Europe, America and the British colonies are discussed, with liberal illustrations drawn from the practices of particular cities. Wherever possible, even Turkey, China and Japan are called upon for some contribution to the municipal experience of the world. Although one might easily quarrel with some of Dr. Maltbie's classifications, it would be impossible to deny that a great many pertinent facts have

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been collected under each subdivision, and these are not affected by the method of classifying functions.

Dr. Maltbie is much impressed with the alleged great increase in municipal activity. There can be no reasonable doubt that the sum of municipal activity is increasing, but it is open to question whether or not municipal functions are increasing in proportion to the increased complexity of modern life. A man does very little directly for himself in these days, and consequently a great many things have to be done for him. Some of these things the city must or may do. But the great majority of them are done by private persons, as a part of the division of labor in the world. It may be, however, that the importance of the functions performed by the city is so great as to outweigh a much greater number of privately performed services. The supply of water, light and means of transportation, the disposal of wastes and the education of children are services of immense importance.

The principal causes of the increase of municipal functions noted by Dr. Maltbie are the growth in the size and density of urban populations, the failure of competition in the supply of certain urban services, the clash between public and private interests in cities and the expansion in the conception of government.

In his concluding chapter, Dr. Maltbie discusses "Future City Functions." He points out that in two directions municipal activity has greatly decreased, without any corresponding increase in the activity of other governmental agencies. Religious functions have been almost entirely given up, and the ordinance power is no longer generally exercised to interfere with the personal affairs of the individual. In other affairs, as in making war and regulating commerce, the state has almost entirely superseded the municipality. In a few other cases certain municipal functions have been transferred to other local governmental bodies. But it is observed that the new functions assumed by the city much more than make up for the old functions lost. In Dr. Maltbie's own words :

> Individual action has been superseded by municipal action, and functions formerly receiving slight attention and requiring small expenditures now demand constant oversight and an enormous outlay. Not many centuries ago, poor relief and education were in the hands of the clergy; but in every civilized nation these are now governmental functions. In the case of municipal street railways, gas works, electric lighting plants, abattoirs, baths, hospitals, pawn shops, tenements, and labor bureaus the period of private activity is usually not so far remote, and even now municipal

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ownership and operation is the exception and not the general rule. Municipal fire departments, water works, markets, docks, ferries, parks are more common and have been in existence for a considerable period. For a much longer time, the city has protected life and property. But in every case there was a time in the immediate or distant past when the municipality did not administer these functions, and when individual action was relied upon.

Our author considers that the increase of municipal activity in the performance of services "has barely begun." "The old city was the sovereign of its people. The new city is their servant." "Urban development, in realization of the capacity of the public to serve the individual, while leaving him more free instead of less so, is to be the characteristic of the century before us."

It is to be regretted that the reviewer is compelled to criticise the literary execution of this monograph. Evidences of careless writing and proof-reading are numerous, especially in the earlier chapters, and these blemishes undoubtedly detract largely from the effectiveness of the work.

DELOS F. WILCOX.

ELK RAPIDS, MICH.

Deutsche Wirtschaftsgeschichte in den letzten Jahrhunderten des Mittelalters. Erster Theil. By DR. KARL THEODOR VON INAMA-STERNEGG. Leipzig, Duncker and Humblot, 1899. — 455 pp.

This book is the first part of the third volume of the author's general economic history of Germany and brings the subject down to the period of the Reformation, so far as agriculture and the peasant classes are concerned. A second part will complete the picture to the same chronological point by showing the development of industry, commerce and credit. Although following tradition in making the middle ages close with the fifteenth century, the author allows a liberal measure of time for the waning of the period. The work is by no means a simple recital of conditions on the eve of the religious revolt, like the first volume of Jannsen, but presents a perspective of development during three or more centuries. This could hardly be otherwise, when a period of more than a thousand years of economic history has to be treated within the compass of three volumes.

The author attempts to describe the development of all the various Germanic territories. This is done, not so much by ex-

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haustive treatment of each, as by selecting the phenomena which characterize each section. By this plan the social history of the German peoples, as a whole, is depicted in one large outline.

The foundation of the social order must be sought in the mediæval conceptions of government. The feudal system had become by this time so articulated that its maxims regulated not only the administration of the state but also the classification of society. The peculiar development of feudalism in Germany led, on the one hand, to provincial independence and the modern states and, on the other hand, to the growth of cities and their industrial activities. Out of these conditions grew new ranks and classes of men, based on economic grounds. People were thenceforth classified according to occupation. By the thirteenth century farming class and burgher class were sharply distinguished. Nobility, clergy and officers of law and administration were gradually recognized as separate estates in society. Both upper and lower classes, because of their relations to the soil, were participants in the economic development of Germany. One was the feudal possessor on a large scale; the other was the manorial dependent, bound not to the owner but to the land. Cities began in this dependent position, but fought their way through special privileges to complete autonomy, and even to territorial sovereignty.

After stating these relations of rank and government, the author proceeds to analyze the possession of the soil. The relative amounts of land controlled by the emperors, the princes, the church, the nobility and the cities are compared; and the intricate manorial system of Germany is traced historically through the period. Finally, the forms of production and the distribution of the products of the soil are considered. The author concludes that the peasant class stood on a lower economic level at the close of the middle ages than during the supremacy of manorial law.

The work is valuable, not only for the general conclusions, — although many of these are commonly accepted, — but particularly for the carefulness with which the illustrative details are wrought out. An appendix contains interesting statistical tables of mediæval taxes and farm accounts.

J. M. VINCENT.

JOHNS HOPKINS UNIVERSITY.

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Die Gewerkschaftsbewegung. Darstellung der gewerkschaftlichen Organisation der Arbeiter und der Arbeitgeber aller Länder. Von W. KULEMANN. Jena, Gustav Fischer, 1900. — xxii, 730 pp.

In the present work, as in some eight previous publications, Herr Kulemann writes, not as a specialist in economics, but as a lawyer who has for some time pursued studies in that field, more especially in connection with labor problems, as an avocation. His writings betray the practical mind, bent not so much upon theoretic discussion of problems as upon the proper means of their solution. So, in the present — by far his most ambitious — work he has been inspired, not only by the lack of any complete presentation of the entire subject, but also by the hope that a comprehensive review of the facts will reveal the necessity for the organization of labor, which he had already advocated as a fundamental principle in a much earlier work.[1] Further, he writes, not for specialists, but for a wide audience.

As to the scope of his work, the author set out to treat primarily of workmen's organizations ; and the first part, constituting over two-thirds of the entire volume, is devoted to these. To this he has added a second part on employers' associations — limited, however, to those whose especial object, as indicated by their statutes and rules, concerns their relation to employees ; while Part III deals with organizations of both classes in common. His reason for adding these two parts, as explained in the preface (p. vii), is, briefly, that the natural impulse to and need for organization is no more common to the laborer than to the employer, so that an exhaustive survey of the facts which reveal that tendency must include associations of the latter, as well as of the former. Here the author was confronted by the danger of making too bulky a volume for wide popular circulation, if employers' associations were treated exhaustively. The way out of this dilemma he finds in the argument that social well-being demands organization of the two classes, with especial reference to their relations to each other; and so all employers' associations not primarily concerned with that relation may be left out. That there is here a logical error, scarcely made excusable by the author's frank admission of it, is obvious; but he considers it not a dear price to pay for convenience in the size of his volume.

The general arrangement of matter in each part is first by countries and then by organizations, the latter, in some cases, involving

[1] Die Socialdemocratie und deren Bekämpfung. (Berlin, 1890.)

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classifications with two or three subdivisions. Finally, there is an account of the origin, growth and aims of each association, more or less detailed, according to the availability of materials. There is comparatively little by way of discussion, criticism or general survey of an entire country or class of organizations (especially where secondary sources are not used), aside from quite brief introductory sections and, in some cases, a general statistical survey by way of conclusion. Throughout the work Germany has received much more attention than other countries. Thus, in the first part, concerning workmen's unions, 62 pages are devoted to England; some 20 or 25 each to France, Austria, Switzerland and the United States; about 5 each to Belgium, Holland, Italy, Australia and "other European countries"; while 231 go to Germany; and the proportions in the rest of the book are still more favorable to Germany.

Concerning the sources of his materials, Herr Kulemann lays no claim to originality, wherever the field had been previously studied. In such cases he has freely used the secondary sources, so that a good deal of the work, especially concerning foreign lands (notably England, France, Switzerland and the United States), is practically a recapitulation of other writings. The chapter on England in Part I, for instance, down to the time of the publication of their work, is simply a summary of the Webbs' history. So far as possible, due credit is always given for materials thus obtained. But the author has also contributed considerable new material, by way of bringing down to date sections where secondary sources were used, as well as in the chapter on Germany (except for the social-democratic organizations), in the section concerning "international relations" in Part I, and in most of Parts II and III. The new matter was obtained chiefly by correspondence with officers of organizations and from official reports. Everywhere, it should be noted, subjects are brought close up to date. The book unfortunately contains no general bibliography, though, in connection with the various chapters and sections, brief notes give the chief sources of information.

Taken as a whole, the work can scarcely be called a history in the best modern sense, though full of historical material; nor does the author so denominate it. It reminds one of material for an encyclopædia, perhaps best characterized by the author's own term — *eine Zusammenstellung des Thatsachenmaterials*. As such, and for the main facts, it is quite complete in Part I. And, although Parts II and III have suffered not a little from the difficulty — amounting in some cases to practical impossibility — of securing materials, so that they are by

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no means exhaustive, they contain a considerable fund of information on largely new ground. As the arrangement of materials on the plan already mentioned has been systematically carried out, and as the book is supplied with a good index and a fairly full table of contents, it is clear that Herr Kulemann has given us a valuable general reference book for facts.

So far as concerns the author's desire to make clear his fundamental principle, regarding the need of organization of labor as a means to social peace, it must be said that, while the facts, left to speak for themselves in the present volume, may contain the demonstration, a single perusal of the work leaves the conviction that his promised second volume is needed to establish definitely that proposition. It is quite possible that a work less extensive as to subject-matter, but more intensive in method, would have been more valuable. An exhaustive and more philosophical study of trade unionism in Germany alone, such as the Webbs have made for England, would very likely be of much greater service to both specialist and layman than the less scientific and more popular compendium of facts for the three kinds of association in all lands, and would have been fully as effective a means of exploiting Herr Kulemann's fundamental idea.

LEONARD W. HATCH.

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Skrifter utgifna af Lorénska Stiftelsen. No. 13. Material till Bedömande af Hamnarbetarnes i Stockholm Lefnadsförhållanden. Af KNUT A. TENGDAHL. — 103 pp. No. 14. Anteckningar Rörande Arbetarnes Ställning vid Fyra Svenska Grufvor. Af GUSTAF AF GEIJERSTAM. — 134 pp. No. 15. Zur Kenntniss von den Lebens- und Lohnverhältnissen industrieller Arbeiterinnen in Stockholm. Von DR. JOHAN LEFFLER. — xiii, 136 pp. Stockholm, Koersners Boktryckeri-Aktiebolag, 1897.

For American students the economic conditions of Sweden can have a minor interest only. We have, from a practical standpoint, a vital interest in the economic status of those foreign nations which are our actual or potential competitors in the world market; but Sweden can, of course, never hold other than a relatively unimportant place in the industrial world. Nor can we ever look to a country which is industrially so unlike our own for light upon the economic problems which are at present forcing themselves upon us. In the labor question, however, we may find that, even aside from the humani-

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tarian interest, the smallest countries may furnish data which are of general value. The very slowness with which a country like Sweden responds to the economic tendencies of the times makes it the easier to study these tendencies in their effect upon the life of the laborer. The smallness of the country and the simplicity of its organization give the greater opportunity for examining the factors of progress in comparative isolation.

In late years Swedish students have shown great zeal in the study of the conditions of labor in their own country, and the results of a number of their investigations have been published in a series of monographs entitled *Skrifter utgifna af Lorénska Stiftelsen.* Of this series, No. 13 deals with the conditions of life among the dockers in Stockholm; No. 14, with the miners in four typical Swedish mines; and No. 15, with the condition of female wage-earners in Stockholm. While these studies differ considerably in method and in merit, their general plan is the same. The author attempts to give the chief facts relating to the class in question, so far as possible, without prejudice or preconceived theories. The data are collected either by the author himself or by persons to whom he has delegated the work. In each case a great deal of personal study of the laborer is involved. Naturally the investigators encountered difficulties in securing exact information from the laborers as to incomes, expenditures, *etc.* Besides the natural reticence in giving information with regard to personal matters, there was often a suspicion on the part of the laborer that the police were at the bottom of the investigation. Accordingly, it is necessary to look upon the results as approximations only. Nevertheless, any one who has tried to form an idea of the development of an industry in past times will realize how useful such approximations, if made at various periods, may be.

The dockers of Sweden are popularly supposed to be a degenerate class — the unfit, whom the process of industrial selection has forced out of other occupations. It is the purpose of the author to show that, on the whole, this impression is incorrect — that, together with the hopelessly unfit, there is a large body of permanent laborers who would be capable of improvement, were they freed from the unnecessary hardships that weigh down the weaker classes under a régime of *laissez faire.* In this particular occupation we must conclude that conditions have grown worse with the evolution of modern industry. It is true that wages have risen from about fifty cents a day in 1840 to a dollar a day in 1896, and that in the same time

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the working day has been shortened from twelve and a half hours to ten hours. It is of interest to note that these ameliorations are in part due to a dockers' union. The uncertainty of employment, however, has become so much greater as to overbalance these gains. A ship must now be loaded in a few days, whereas in "the good old times" as many weeks were consumed in handling the cargo. The comparatively high wages attract a large number of men to the place, only to leave them in the most extreme distress when ships fail to come in. From the tables which give the wages of the dockers by months, it is plain that only the most extraordinary foresight could protect them from recurring periods of absolute want. And the data which the author has collected as to the housing of the laborers reveal a lamentable state of overcrowding. Generally each family lives in a single room, which is often no more than nine feet by twelve. Six or eight persons, of whom one or more may be boarders, often live in such a room. One can imagine what the home life must be under such circumstances.

A different picture of Swedish life is given by the succeeding number of the series, which describes the conditions of life in four Swedish mines. Especially interesting is the description of the life of the miner of Dannemora. Probably one could not find anywhere a better example of a perfectly stable body of laborers. A man is born into the employment of the company, and generally he does not sever his relations with it until he dies. The joint stock company, which has supplanted the small capitalist, has been compelled to assume the same patriarchal relations toward the laborer as existed under the old system. When a laborer marries, he has to consult the manager of the company. When children are born to him, he has to make arrangements with the company for an old-age pension for them, in case they live. Twenty-five years ago wages were still paid in grain. A married man was paid more than an unmarried, and for every child under fifteen the company made an additional allowance of grain. These payments have since been translated into a money wage, which varies with the price of corn. Thus the system of payment according to need still persists.

There are no labor troubles at Dannemora. Except at certain seasons, when the mines cannot be worked, lack of employment is unknown. In his stay at Dannemora, the author did not hear a single complaint on the part of the laborer. In general, each laborer has a cottage of two rooms, with a plot of land for potatoes. These cottages belong to the company, but are let to the laborers for noth-

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ing and descend from father to son, as if they were freeholds. A wage of six dollars and a half per month is not at all exceptionally low, even for a man with a family to support, and the wife makes no direct contribution to the family income. The author publishes an itemized account of the expenditures of one of these families, extending over a period of six years, so that one may see how a yearly income of ninety dollars makes it possible for a family of four to live and lay by something for a rainy day.

No. 15 of the series is a statistical study, dealing with the conditions of life and labor of the female wage-earners of Stockholm. As the employment of women creates much the same problems in one city as in another, one who is interested in the subject may find some suggestions of value in this little monograph. And, as it is published in German, it is more accessible to most students than the others of the series. On the whole, the work is carefully done, and the results are conveniently presented, both in tabular and in graphic form. The numbers with which the author deals are, however, so small that one would hesitate to form conclusions from them or to accept the conclusions that the author has given.

COLUMBIA UNIVERSITY. ALVIN S. JOHNSON.

L'Industria dello Zucchero. II: Commercio Importanza Economica e Legislazione Doganale. Per LUIGI FONTANA-RUSSO. Milano, Ulrico Hoepli, 1899. — 244 pp.

This small volume is number two in a series of handbooks on the sugar industry, in Hoepli's series of manuals, numbering fully 600 volumes in all. The book, as its title indicates, deals with economic and legislative phases of the sugar question, with direct reference to the policy of the government toward this industry. The scope of the treatment includes a historical and statistical survey of the production, trade and consumption of sugar, the development of the beet-sugar industry, the systems of imposts and premiums designed to promote this industry, the economic importance of domestic production to Italy, the international conferences for the abolition of the export premiums on sugar, Italian legislation, and a comparative summary of legislation in Germany, France and Austria.

The author advocates the policy of having Italy produce her own sugar. The researches of the Ministry of Agriculture, as well as those of private associations, have demonstrated "that the sugar beet can be produced in any part of Italy of such quality and

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quantity as will compare favorably with the results achieved in other countries" (pp. 111, 112). It is, therefore, scientifically practicable as an economic policy.

The expediency of this policy is argued, on the ground that the beet-sugar industry everywhere brings great advantage to agriculture as a whole (pp. 87, 114), by improving both the methods and the results of cultivation of other crops. All northern European experience tends to prove this. The adoption of this policy is urged, therefore, as one way of escape from the discouraging condition in which the rural population of Italy now finds itself. But, before this single industry can work its remedial advantages to agriculture, fiscal legislation must be revised, in order to give a more certain field of investment to capitalists, by giving protection to domestic manufactures of sugar and by so adjusting the excise tax as to encourage more rapid progress in domestic consumption. Domestic refining has already made gratifying advances and sugar-beet manufacture has passed beyond the experimental stage.

If, therefore, an import tax high enough to be of a truly protective character were imposed, and the loss of revenue on imports were made good by an excise tax on the products of the beet-root factory, it seems probable that the proposed readjustment of fiscal burdens would result in the desired development of beet-sugar manufacture and the consequent encouragement of agriculture. Twenty-five factories like the one at Rieti could make all that Italy now consumes.[1] It does not appear that the consumer would be injured by this change in policy. It would probably even improve his position. At any rate, it seems worth while to try to develop this industry, in which Italy has almost alone remained stationary, while other European countries have made signal successes.

New York City. John Franklin Crowell.

The Wheat Problem. By Sir William Crookes. New York, G. P. Putnam's Sons; London, John Murray, 1900. — xiii, 272 pp.

This book includes an address by Sir William Crookes, upon "The World's Wheat Supply," before the British Association for the Advancement of Science in 1898; "Replies to my Critics," by the same author; "Our Present and Prospective Food Supply," by C. Wood Davis; a reprint of an article from *The North American*

[1] *Sucrerie*, tome liii, no. 9, pp. 251–253.

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Review, upon "America and the Wheat Problem," by John Hyde; and a rejoinder by the writer last mentioned to an article in the *Popular Science Monthly* by Edward Atkinson. The appendices contain a number of statistical tables.

The thesis of Sir William Crookes is that a generation hence the wheat eaters of the world will have increased 230,000,000 and the area devoted to wheat culture will have reached its limit. After 1931 the wants of the increasing army of bread eaters will have to be met by enlarging the yield per acre, rather than by an extension of the wheat-growing area. "Before we are in the grip of actual dearth the chemist will step in and postpone the day of famine" by "the fixation of atmospheric nitrogen" in the soil.

This is a case of economic reasoning in its most difficult field, that of prediction. It must take into account, with other data, the area of unreclaimed land adapted to wheat, the extent to which wheat production can encroach upon land now used for other crops, the average world yield per acre, the increase of population, the *per capita* consumption and the price per bushel. The chances of error in such a problem are manifold, especially in an age so subject to dynamics as our own. Furthermore, "the world has become . . . accustomed to look upon the vast plains of other wheat-growing countries as inexhaustible granaries." The possibility of a shortage in the future wheat supply also runs counter to the prevailing optimism of the race. For these reasons the prediction of Sir William Crookes has encountered much criticism.

> Not since Tyndall shocked the religious sentiment of almost the entire English-speaking world by proposing, at the Belfast meeting in 1874, that certain wards of a hospital should be set apart for a scientific test of the efficacy of prayer, has the annual address of a president of the British Association for the Advancement of Science excited so general an interest, or provoked so much unfavorable criticism [p. 191].

In "Replies to my Critics" — covering nearly one hundred pages — the author strengthens his position. The reply to Mr. Atkinson leaves little to be desired. Apparently no one has ground to view the future with more satisfaction than the American farmer. In the course of thirty years, however, so many things may happen which it is impossible to foresee that any prediction, no matter how carefully made, is more or less open to doubt. In any event, a service has been rendered in assembling so much interesting material within the limits of a volume.

C. F. EMERICK.

SMITH COLLEGE.

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Economic Aspects of the Liquor Problem. An Investigation made for the Committee of Fifty. By JOHN KOREN. Boston, Houghton, Mifflin & Co., 1899.—327 pp.

This volume is the second formal report published by the Committee of Fifty, the report of the legislative sub-committee having appeared in 1897. The present report, by the economic sub-committee, gives the results of a statistical inquiry into the relations of intemperance to poverty, pauperism and crime in the United States. It is based upon original investigation into 29,983 cases of poverty, reached chiefly through the agency of charity organization societies in 33 cities; 8420 cases of pauperism, in 50 almshouses; 5136 cases of child-destitution, reached through various voluntary and governmental agencies; and 13,402 cases of crime, found in 17 state prisons and reformatories. From these representative studies it is deduced that 25 per cent of the poverty that calls for systematic relief, 37 per cent of the pauperism in public institutions, 45 per cent of the cases of child-destitution and 50 per cent of the crime of the country are due, in greater or less degree, to the use and abuse of intoxicating liquors.

I will first note some items of special interest in the book, and then comment upon the plan of the work and its execution.

First, in the matter of poverty.—The common assertion that those who drink are not the ones who suffer is not borne out by these figures. While 18 per cent of the cases of poverty are attributed to the personal use of liquors, only 9 per cent are traced to the intemperate habits of others. As between the sexes, however, the difference in this respect is marked. While 22 per cent of the male applicants come to a condition of dependence through the personal use of liquor, the same is true of only 12 per cent of the female applicants; and, while only 3.8 per cent of the male applicants attribute their want to the intemperate habits of others, 17.1 per cent of the female applicants are the victims of others' indulgence. A singular deduction from untabulated data is to the effect that married women are more given to the liquor habit than unmarried; but among men the reverse is true, married men appearing to be more sober as a class than bachelors.

One might expect to find, in this inquiry into intemperance as a cause of poverty, some indications as to the relative efficacy of various liquor laws, but no such inferences can be drawn. Unfortunately, none of the organizations reporting are in "prohibition" states. Cambridge, Mass., the largest city in the United States

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under local prohibition, reports 45.6 per cent of its poverty due to drink. Such great centres of population as New York, Brooklyn, Chicago, Baltimore and San Francisco show a comparatively small and remarkably uniform percentage, varying from 21 to 28.9; while some small cities on the frayed-out edges of these metropolitan centres show the largest percentages of all. The only generalization that a casual comparison of these reports seems to permit, respecting systems of regulation, is that based upon the good showing made by certain medium-sized cities in which we know that license laws are strictly enforced.

Secondly, in the matter of pauperism. — The tables showing the percentage of pauperism due to intemperance in the different occupations represented by the almshouse population are suggestive, but are likely to be misleading. For example, of those paupers who had been saloon-keepers or bar-tenders 84.6 per cent ascribed their condition to drink — a higher percentage than that shown by any other occupation. Of 26 occupations represented, however, the saloon-keepers and bar-tenders stand almost at the foot of the list in the actual number of paupers. As a matter of economics, therefore, this high percentage means comparatively little; its real significance lies in the fields of physiology and morality. The physiological question is also the chief element in the high percentage shown by printers and other classes whose work is of a kind to induce cravings for stimulants. The best illustration of the operation of economic forces in favor of temperance is the extremely small showing made by railroad employees, both in the relative number of paupers and in the percentage of pauperism due to intemperance.

Following out this comparison of relative numbers with relative percentages of intemperance in the matter of nativity, it is interesting to compare the Irish-born with the native Americans. Take the records of nativities for the New York City almshouse, for example, as summarized by Prof. B. C. Mathews in *The Forum* for January, 1899, and compare them with these percentages of pauperism due to drink. The Irish-born comprise 12.6 per cent of the city population; the native-born, 58 per cent. But the Irish-born furnish 60 per cent of the almshouse inmates, as against only 14 per cent furnished by the native-born residents. Of course, improved immigration laws and other causes make such conditions impossible for the future; but, taking these figures as historically true, we might say that a community of Irish-born Americans would furnish twenty times as many paupers as a community consisting of an equal number of

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native Americans. When, now, we learn that among the Irish-born 40.7 per cent of pauperism is due to the personal use of liquor, as against 29.3 per cent among the native-born, it is clear that the drink habits of the Irish are a matter of great practical importance to the student of American economic conditions.

Thirdly, in the matter of crime. — In this field the investigation becomes more discriminating; for the several causes which contributed to "a condition which induced the crime" are sought and are arranged in the order of their influence in each particular case. The other causes considered are "unfavorable environment" and "lack of industrial training." Intemperance appears as the principal cause in 31 per cent of the cases and as the sole cause in 16.8 per cent.

Here, again, the study of nativities is an important part of the inquiry. "What we conceive to be the hardest-drinking nationalities yield the highest percentages of intemperance as a cause of crime." The Scandinavians head the list, with intemperance as the prime cause in 42.2 per cent of their crimes. They are closely followed by the Scotch, with 41.6, and the Canadians, with 40 per cent. The other representatives of the British Empire are not far below. The native-born hold a middle position, with 31.2 per cent; while the Germans, with 27.7 per cent of their crime due primarily to their love of beer, are the first in the list to show one of the other causes (namely, "unfavorable environment") more potent than intemperance in leading to crime.

An analysis and classification of crimes permits the deduction that intemperance is the prime inducement in 29.6 per cent of crimes against property, in 36.1 per cent of crimes against the person and in 38.7 per cent of crimes against both property and person. "Among the highest grade of criminals, professional thieves, burglars, 'cracksmen,' *etc.*, there is very little personal intemperance." Physiological and moral considerations are again suggested in the statement that "rape and kindred offenses against the person were found due to intemperance in comparatively few instances, and then more often to ancestral intemperance."

We cannot enter upon other interesting parts of this report. It is the most elaborate and searching investigation that has as yet been made in these fields. It does not pretend to be comprehensive, either in subject-matter or in the territory covered; and it can hardly claim to be scientifically representative, for it failed to enlist the coöperation of some of the most important of the governmental insti-

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tutions which are concerned with pauperism and crime. Having been conducted with special reference to the liquor problem, it inevitably dwarfs, more or less, other influences which contribute to distress and delinquency. In spite of instructions looking to absolute freedom from bias, intemperance could not but be in the eye of the investigator. Nevertheless, it is sufficiently exhaustive to afford a fair basis for most important inferences; and it can claim an impartiality of inquiry that makes it more reliable in its field than any other discussion which has had as wide a scope.

It is to be regretted that the conductors of the investigation did not find some plan of reducing at least to approximate figures the economic elements of intemperance. The committee has made a valuable study in social pathology, but it has not even diagnosed the economic symptoms of the case. It has not so much as hinted at the political economics of the subject, by estimating the pecuniary burden entailed upon society in the maintenance of charitable and corrective institutions. Many thoughtful people believe, however, that the most serious evils of drink, from an economic point of view, are not the direct and positive burdens imposed upon society, but the impairment of the efficiency of the drinker as an economic agent and the waste of wealth represented by that portion of the product which does the mischief. The investigation made by the United States Department of Labor (Twelfth Annual Report) gives the statistics of the liquor traffic as a normal business, making no attempt to show how much of this traffic is virtually destructive of economic value. The sixth chapter of that report, however, which gives the results of the experience of 7025 employers of labor relative to the effects of the use of intoxicants by their employees, is highly suggestive of what might be done toward getting a comprehensive view of the economics of intemperance.

In turning the pages of this book and studying the tables in the appendix, one cannot but be persuaded that it points the way to a greater work. If the economic sub-committee has left the most important section of its own field untouched, it has also begun a line of investigation that some appropriate committee should follow out. While reports from organized charities, almshouses and prisons afford slight data for estimating the total damage done by strong drink, such reports can be made complete enough to afford a basis for comparing the relative amounts of damage for which the liquor traffic is responsible in urban and rural districts, in foreign-born and native communities, and in regions under prohibitory laws, license

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laws and other systems of regulation. The present investigation is chiefly confined to securing figures to prove general propositions which nobody disputes. The desideratum of the day is the securing of localized facts which shall fairly represent the results of particular conditions. In the United States, remedies for social ills are usually sought through political channels. What our politicians need is to be supplied with such a body of facts as shall remove liquor legislation from the sphere of blind experimentation. This report gives us a glimpse of the sources of such information and of the manner in which it is to be obtained.

C. M. LACEY SITES.

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Chicago Conference on Trusts: Speeches, Debates, Resolutions; List of Delegates, Committees, *etc.* (Held September 13–16, 1899.) Chicago, Civic Federation of Chicago, 1900. — x, 626 pp.

It is probable that no non-political gathering has been held for many years which has been of greater importance than the Chicago conference on trusts. During the preceding two years the remarkable increase in the number of large industrial enterprises, and more especially the very large capitalization of some of the corporations formed, had aroused public attention and in many cases had excited alarm. Large classes of the people were sincerely of the opinion that even our political liberties were threatened by this concentration of capital, while many more felt that there was in progress an industrial revolution whose outcome no one could predict.

The Civic Federation of Chicago certainly acted wisely in calling together a conference, made up of men representing all of the leading interests in the different sections of the United States. In most cases the governors of the states chose representatives, not because of their political influence, but because they truly represented the interests of certain industrial classes or were persons well known as conservative thinkers on industrial questions, although there were present some men of national influence in partisan politics. The Civic Federation itself exercised like good judgment in the special invitations which it sent to individuals. It is questionable if a more widely representative economic gathering has ever met.

On the first day of the session it was clearly apparent that the representatives of political parties feared that some effort was to be made to turn the conference, which had been represented to be educational in its purpose, into one which should attempt to secure parti-

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san advantage for one of the great political parties. The perfectly fair policy of the Civic Federation, however, with the temper shown by the more conservative delegates, soon convinced all that the conference had assembled for the purpose of making a serious study of the question, by securing the views of well-informed persons from all sections of the country.

The book under consideration contains a careful report of the meeting, with the addresses made and the papers read. In addition to those actually given from the platform, it includes a number of others — and among them several of the more thoughtful ones — which were simply presented to the conference in manuscript, but were not read on account of lack of time. Nearly a hundred different papers are contained in the volume. Some of them are brief statements of less than a page in length, containing merely the opinions of the writer; others either carefully elaborate some one or two points of the controverted question, or else embody compact statements regarding the nature of industrial combinations or suggestions of remedies for the evils arising from them. There are also a few eloquent addresses on the general subject, such as those given by William Dudley Foulke, William J. Bryan and W. Bourke Cockran. Some of the papers represent the position of the trained economist, such as those given by Professors Henry C. Adams, John B. Clark and Edward W. Bemis; some of the addresses have quite decidedly a political tone, and evidently present the views of the speakers on matters of party policy in the treatment of this question; others consider it more particularly from the legal point of view. In nearly all cases the writers and speakers evidently felt the necessity for brevity, so that the volume becomes more interesting, in that one may read terse statements of opinion or brief compact arguments, instead of following laboriously a long course of reasoning.

It was not to be expected that in a gathering of that kind many facts should be presented which were new to any special student of the question, or that remedies should be suggested which had not been thought of before. The volume contains many interesting suggestions, but practically every point of importance can be found more thoroughly wrought out in special articles or volumes which have been prepared by experts. On the other hand, nowhere else can be found reflected so well the opinions on this question of thoughtful men engaged in carrying on the world's business and representing all sections of the country.

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The chief value of the book, therefore, is to be found rather in its political than in its economic significance. Many persons who came to the conference with their opinions firmly settled regarding the effects of the industrial combinations, and perhaps even regarding the remedy for the evils arising from them, went away convinced that the question demanded much more careful study than they had yet been able to give it; and many also became imbued with a much greater respect than they had previously felt for the views of others from different sections of the country and representing different interests. This educative effect of the conference was of the greatest importance. There can be no doubt that to it has been due to a large extent the change in public opinion which has led people to wish to make a more careful study of industrial combinations and to take conservative action regarding them.

This report, if widely scattered, cannot fail to be of very great importance during the next few months, while the question is before the voters of the country during the political campaign. Its readers are likely to be made more thoughtful and conservative, while at the same time they will recognize that there is a justification for many of the denunciations of the trusts so commonly seen in the newspapers.

JEREMIAH W. JENKS.

CORNELL UNIVERSITY.

The Effects of Recent Changes in Monetary Standards upon the Distribution of Wealth. By FRANCIS S. KINDER, A.M. (Economic Studies, Vol. IV, No. 6.) New York, published for the American Economic Association by The Macmillan Company, 1899. — 85 pp.

This little volume is really a tract in favor of bimetallism. Mr. Kinder attributes the fall in prices since 1873 exclusively to the demonetization of silver and believes that this fall has been disastrous to business enterprise, has favored the creditor at the expense of the debtor and has been especially injurious to the working class. Still further, he tries to prove that a period of rising prices due to monetary causes — that is, to an increase in the precious metals — is conducive to prosperity and is beneficial to practically all classes in the community. The author's style is terse, his logic is clean-cut, and he marches from point to point with a precision and an assurance which all who have studied this vexed question must regard with envy. His main points are not new, but he employs methods which demand consideration and criticism.

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It is, of course, a well-known contention on the part of the monometallists that the fall in prices since 1873 has not been due to a scarcity of gold, but can be fully accounted for by improvements in production. Bimetallists have answered that these improvements did not begin with 1873, but were at least as extensive and important before 1873 as later. If, therefore, they had no effect in pulling down prices during the first period, why should we credit them with such an effect during the second? Mr. Kinder amplifies this argument in Chapter I, by showing from statistics that *the supply* of certain standard articles — namely, wheat, sugar, wool, cotton, iron and coal — increased faster during the period when prices were rising than during the period when prices were falling. Thus, the wheat production of the world increased from 1851–60 to 1870–80 by 62 per cent, while from 1870–80 to 1881–89 it increased by only 23 per cent. This method is easy but inadequate. In the first place, the more remote statistics are apt to be defective, so that the rise in the earlier period is exaggerated. Secondly, it is not permissible to substitute "supply" for "improvements in production" as a cause of decreasing price. Improvements may lower cost of production without increasing supply to anything like the same extent. Thirdly, it follows from this that a fall in price need not be proportional to the increase in supply. How much a given increase of supply will lower price depends upon the elasticity of demand. When wants are inadequately satisfied, a greatly increased supply may be taken off the market at very slightly reduced prices. On the other hand, when wants have been pretty fully satisfied, a slight increase of supply may lower prices very much. This is such an elementary principle in economics that it is surprising to find how completely Mr. Kinder ignores it.

A similar criticism may be made in regard to his statistics of transportation. He shows, for instance (p. 428), that during the twenty years 1855–75 railway mileage increased 346 per cent, while from 1875 to 1895 railway mileage increased only 136 per cent. He seems to adduce this as proof that facilities for transportation were increasing much faster during the first period of rising prices than during the second period of falling prices, and hence that improvements in transportation could have had no part in the recent fall in prices. But it is easy to show that during the ten years from 1845 to 1855 the railroad mileage of the world increased 400 per cent; and that in the United States from 1830 to 1850 railroad mileage increased from 40 miles to 8571 miles, or at

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the rate of 21,425 per cent. Would he expect to find prices falling in corresponding ratios? Percentages, starting from different bases, are slippery things to deal with. Mr. Kinder's figures remind us of the phenomenal percentages of growth in population of some Western cities or states when first settled.

In the same vein, the author assures us that the yearly decrease in freight rates was much greater from 1854 to 1870–73 than from the latter period to 1894–97. Thus, on the Erie Railroad the average rates per ton per mile were in 1854–57, 2.545 cents; in 1870–73, 1.259 cents; and in 1894–97, 0.607 cents. The yearly decrease during the first period was .08 cents and during the second .027 cents.[1] The conclusion is then adduced:

> It will be seen that in so far as freight rates in the United States have had a determining effect on the prices of wheat and other commodities in the world market, the prices of such commodities should have fallen more rapidly in the period prior to 1870–73 than in subsequent years.

It may be suggested that the influence of improved means of transportation is seen, not merely or principally in lowering freight rates, but also in opening up new sources of supply, in facilitating distribution and in bringing about keener competition. We cannot expect freight rates to go on decreasing forever, while we may expect that the railway system will increase more and more the net productive power of the community.[2]

By these methods Mr. Kinder comes to the conclusion that "there is no reasonable ground for attributing the recent fall of prices to conditions of production and distribution." *Per contra*, he goes on to show (Chapter II) that (1) the supply of gold increased enormously until 1870; that (2) the annual production decreased from 1870 to 1883; and that (3) the demand for gold increased, owing to the demonetization of silver. He concludes that "it will appear to most minds that such a fall in prices as has taken place was a necessary and inevitable result [of these changes]." If one is able to formulate and is willing to accept a "quantity theory of money," there is some justice in Mr. Kinder's remark. But when one remembers the endless controversies that have been waged during

[1] The table makes it .8 and .27 cents, but this is evidently an error of division.

[2] It may also be remarked that by taking simply the Eastern trunk lines for comparison (Erie, N. Y. Central, Lake Shore & Mich. Southern, and Penn. R.R.) the author misses the most important factor in operation since 1873 — namely, the opening up of the Northwest.

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the last twenty-five years over this very question of the connection between the supply of the precious metals and prices, it would seem to need a good deal of assurance to dismiss the whole question (after seven pages of discussion) as follows:

From each standpoint discussed in this chapter the conclusion seems quite justified that the change of monetary standards was the one predominating cause of the fall of prices; and if we add the facts ascertained in the preceding chapter, that there is nothing in the statistics of production of commodities or in their distribution to explain the fall in prices since 1873, as compared with the rise in the preceding period, we may safely accept this conclusion. [P. 440.]

The more important part of the monograph is that on the effects of price changes upon the distribution of wealth. The only new thing here is the argument in respect to the effect on wages. Mr. Kinder combats the ordinary belief that a period of rising prices is injurious to the laborers, because wages are apt not to rise as rapidly as prices, and that, on the other hand, a period of falling prices benefits the laborer by a decrease in cost of living, while he may be able to hold up his wages. Mr. Kinder makes three points. In the first place, he tries to show that the degraded condition of the English agricultural laborer during the seventeenth century was due, not to the rise in prices, but to the regulation of wages by the justices of the peace. But this is the very point of the whole illustration. No one ever maintained that rising prices reduce the laborer to penury; his sufferings are due to the fact that while prices are rising he is not able, owing to law or custom or the power of the employer or his own inertia, to raise wages correspondingly fast.[1] Later on, speaking of the eighteenth century (about 1770), Mr. Kinder himself puts the subject in the right light:

As that was a time of comparatively low prices, the law regulating wages had doubtless operated favorably for workingmen during the immediately preceding period of falling prices. It was in the period of rising prices [that is, the sixteenth and seventeenth centuries] that the Wages Assessments had wrought their mischief.

[1] It may be pointed out that no one has ever maintained that in a period of rising prices wages may not overtake prices. The contention is that at first wages lag behind prices. In quoting from an old article of mine, Mr. Kinder omits the words in brackets: "When prices rise, wages also rise, but more slowly, so that [for the time being] the purchasing power of wages is less and the condition of the wage-earner is worse." I was arguing that the *first* effect of the proposed free coinage of silver (1896) would be disastrous to the workingman. — POLITICAL SCIENCE QUARTERLY, XI, 470.

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Mr. Kinder's second point is that, while real wages have increased during the whole period from 1860 to 1891, the annual increase was greater in 1860–73 (during rising prices) than during 1873–91 (period of falling prices). It seems to me a bad statistical method to compare the percentage of increase from a low period (1860) to a very high period (1872–73) with the percentage of increase from this high period to a still higher one (1891); for the first member of the comparison is exaggerated and the second minimized. Mr. Kinder tries to justify it, on the ground that a rise of wages from one dollar to two dollars is more important for a workingman than a rise from two dollars to three dollars. We are therefore, he contends, justified in representing the first as a rise of 100 per cent and the second as a rise of 50 per cent — that is, in assuming that the first rise is twice as important as the second. But this is clearly sophistical; for we are dealing, not with the diminishing utility to the individual of successive increments of the same commodity, but with the share of the social income which the laboring class is able to get. The first part of a man's wages is, indeed, necessary for absolute subsistence, and is thus of infinite value to him as an individual; yet that does not prove that later gains are not equally important as a measure of social progress. In fact, the higher the wages, the more difficult it is, as a rule, to get a further increase. If wages were pushed up by speculative activity to the very high point which they reached in 1873, I should say that it was proof of great power on the part of the laboring class that they were able to maintain them after 1873.

Mr. Kinder's third point is one which has often been brought forward, but never substantiated — namely, that the rise in real wages from 1873 to 1891 was more than offset by lack of employment. The only evidence he adduces for this important proposition is from manuscript studies of Dr. Charles B. Spahr. He does not show how it is possible to reconcile high wages with the competition of masses of men out of employment.

The foregoing are sufficient samples of Mr. Kinder's methods. Notwithstanding his ingenious analysis and imposing array of statistics, I doubt if in the present complicated system of industry and exchange we are prepared to accept the bald theses that prices depend upon the supply of the precious metals and that economic prosperity can be secured only by steady inflation.

RICHMOND MAYO-SMITH.

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RECORD OF POLITICAL EVENTS.

[From November 6, 1899, to May 10, 1900.]

I. THE UNITED STATES.

FOREIGN RELATIONS. — By a series of conventions a **settlement of the Samoan controversy** has been attained. On November 7 the United States, Great Britain and Germany agreed to submit the claims arising from the bombardment of several Samoan villages in April, 1899, by British and American warships, to the King of Sweden as sole arbitrator. On the following day came the announcement of a treaty of partition, signed by Great Britain and Germany, which rescinded the Act of 1889. In return for territorial compensation received elsewhere (see p. 369), Great Britain relinquished its share in Samoa to Germany and the United States. According to this arrangement Upolu and the other islands west of the 171st degree of west longitude fall to Germany, while the United States becomes the owner of Tutuila and the adjacent islands east of the meridian named. A convention embodying these results was ratified by the United States Senate on January 16. — Of great importance in the relations of Great Britain and the United States was the **proposed modification of the Clayton-Bulwer treaty.** Under the influence, apparently, of the sentiment both in Congress and in the country at large, in favor of the construction and absolute ownership by the United States of a canal across the isthmus, a treaty was signed February 5, by Secretary Hay and Lord Pauncefote, in which Great Britain renounced all right to joint construction, ownership or maintenance of such a canal, while the United States agreed to unite with Great Britain in guaranteeing the neutrality of the passage and to invite other nations to join in this guaranty. Opposition to the neutralization was at once manifested in many circles, and the Senate Committee on Foreign Affairs, in reporting on the treaty, March 9, proposed an amendment providing that the neutralization clause should not preclude "measures which the United States may find it necessary to take for securing by its own force the defense of the United States and the maintenance of public order." Thus far the requisite two-thirds majority has not seemed obtainable for the treaty, either in its original or in its amended form. — Another treaty with Great Britain, signed March 2, 1899, relating to the tenure and disposition of private property, the Senate agreed to sanction March 22, 1900, but only with the amendment that no British subject may hold property in those states which deny such a privilege to aliens. — A reciprocity treaty with Italy was concluded February 8, and the time for ratifying that with

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France was extended a year (March 21). Negotiations for a treaty of this kind with Germany were suspended, in view of the threatened exclusion of American live-stock products from that country (see p. 373). Some diplomatic friction with the Ottoman government has arisen, in relation to the protracted non-payment of claims arising out of the Armenian massacres. A formal demand for payment was made April 24. — Among international transactions of less importance were parcel-post conventions with Guatemala and Venezuela, and extradition treaties with Peru and the Argentine Republic. — Aside from the ratification of The Hague Peace Conference treaty by the Senate, February 5, an additional stimulus was imparted to the preservation of peace and friendly competition in the development of commerce by an **international assurance of the open-door policy in China.** In the course of a correspondence, begun by the United States early in September, 1899, and concluded March 20, 1900, pledges were obtained from Great Britain, France, Germany, Russia, Italy and Japan, that existing commercial privileges, secured by treaty, shall not be prejudiced by the act of any power claiming a "sphere of influence" within the Chinese Empire.

THE DEPENDENCIES. — In his annual **message** President McKinley described the work of regenerating Cuba, dwelt upon the grave responsibility assumed by the United States in becoming surety for the future of the island and asserted that American control was maintained with the intention of keeping ultimately the obligation imposed by the joint resolution of 1898 (see RECORD for June, 1898, p. 367). Whether the ties binding the new Cuba to the United States are to be "organic or conventional," the destinies of the island, said the President, "are irrevocably linked with our own." He promised that, as soon as the suffrage should be determined, steps would be taken to commit the municipalities to native administration. Regarding the Philippines, the President strongly urged the retention of the archipelago, and suggested that the establishment of civil government should proceed from the municipal to the provincial, and thence to the central, organization. He recommended the grant of legislative relief for the political needs of Alaska, and made a strong plea for action that should correct the anomalous situation of Hawaii. Lastly, he dwelt upon the unfortunate condition of Porto Rico, political and economic, and called for the creation of a civil government. Moreover, since Porto Rico had lost its preferential markets in Spain and Cuba, without corresponding benefit from its annexation by the United States, "our plain duty," he declared, "is to abolish all customs tariffs between the United States and Porto Rico." — In order to deal with questions relating to the dependencies, several **new congressional committees** were established. In the House a Committee on Insular Affairs was put in charge of the territory acquired from Spain, together with Tutuila; while Cuba and Hawaii were left under the control of the committees on Foreign Affairs and Territories, respectively. The Senate, however, established four new committees — namely, on Coast and Insular Survey,

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on the Pacific Islands and Porto Rico, on the Philippines, and on Relations with Cuba. — In Congress attention was chiefly centered upon **legislation for Porto Rico.** On January 3, Senator Foraker, Chairman of the Committee on the Pacific Islands and Porto Rico, reported a bill to create a civil government in Porto Rico. According to its provisions, the constitution and laws of the United States were extended to Porto Rico, and the inhabitants of the island were recognized as citizens of the United States, with representation by a delegate in Congress. As to tariff relations, the bill provided for absolute free trade between Porto Rico and the United States. Shortly afterward Mr. Payne, Chairman of the Committee on Ways and Means in the House, introduced a bill extending to Porto Rico the customs laws of the United States. Opposition in the Republican ranks immediately developed, based on the contention, first, that the principle of protection to industries of the United States was infringed and, second, that free trade with Porto Rico would establish a dangerous precedent when the determination of trade relations with the Philippines should be necessary. After a vigorous debate in the House, the Committee on Ways and Means, taking the position that the revenue for the island would be inadequate under a system of free trade, reported a substitute, fixing the customs rates on goods going from the United States to Porto Rico and the reverse at twenty-five per cent of those imposed by the present tariff law. Forthwith a constitutional question arose as to whether this proposition was compatible with that clause of the constitution which provides that all duties, imposts and excises shall be uniform throughout the United States. The Democrats maintained the historic doctrine of their party, that the constitution extends *ex proprio vigore* to the territories, and insisted that the imposition of a customs tax contravened not only the constitutional provision just cited, but also the provision which prohibits the levying of an export duty. This view the Republicans combated with the assertion that the Constitution could not apply to the insular territories, except by an act of Congress specifically so providing, and that, while the effect of the treaty with Spain was to put the United States in the possession of Porto Rico, it did not thereby "make the island either a state or a territory, but a *dependency*." The imposition of a nominal tariff, it was pointed out, would leave undisputed the absolute right of Congress to legislate for the dependencies at will. In the House a vigorous minority among the Republicans declined to approve the position taken by their colleagues and contended that, apart from constitutional prohibitions, considerations of justice, good faith and expediency alike demanded the establishment of free trade. In order to win over enough of these "insurgents" to pass the bill, it was ultimately modified so as to provide for a duty of only fifteen per cent of existing rates, to be in force for but two years. In this form it was adopted in the House, February 28, by a vote of 172 to 161, four Democrats voting in the affirmative and six Republicans in the negative. In the Senate this bill was incorporated in the Civil Government Bill, already under consideration

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and was ultimately adopted by a vote of 40 to 31 (April 3), six Republicans standing out for free trade. In its new form it passed the House, 161 to 153 (April 11), nine Republicans voting with the opposition, and was signed by the President, April 12. As enacted, the law declares the inhabitants of the island "citizens of Porto Rico, and as such entitled to the protection of the United States"; substitutes for the proposed delegate in Congress a resident commissioner; and for the support of the civil government levies the proportionate tariff rate of fifteen per cent upon commerce between Porto Rico and the United States for a period of two years, unless in the mean time the legislature of the island shall establish a system of local taxation. It also provides for the reciprocal imposition of internal revenue taxes, in addition to the tariff rates, upon commodities manufactured in both the United States and Porto Rico. Arrangement is made for the redemption of the insular currency; and the statutes of the United States (except those relating to internal revenue), so far as they may be applicable, are extended to the island. The form of government outlined is as follows: A governor and an executive council appointed by the President, one-half the council to be Porto Ricans; and a House of Delegates, elected under a restricted suffrage and constituting, with the council, the insular legislature. On April 16 the President appointed as the first civil governor Mr. Charles H. Allen, Assistant Secretary of the Navy. Pending the enactment of this measure, President McKinley sent to Congress an emergency message, recommending the appropriation to the immediate expenses of the island of all money collected or to be collected as duties on products of Porto Rico in the ports of the United States. This proposition was designed to meet the attacks made upon the tariff bill, as unjust to the islanders and as wrongly postponing the regulation of their affairs. A project embodying the President's recommendation was promptly passed by both houses and became law, March 24. Congress also adopted a joint resolution, April 30, which made the grant of corporate franchises for public utilities in Porto Rico contingent upon the approval of the President. — A bill for the **establishment of a territorial government in Hawaii** came up in the Senate in February. It provided for the recognition of citizens of Hawaii as citizens of the United States, authorized them to be represented by a delegate in Congress and extended to Hawaii the internal revenue, customs and maritime laws of the United States. Having been passed by the Senate, March 1, it was taken up for discussion in the House. Efforts to strike out the clauses extending the constitution to Hawaii, and to provide for a resident commissioner instead of a delegate in Congress, met with defeat. After the adoption of certain amendments prohibiting the sale of intoxicating liquors, limiting the amount of land which a corporation may hold, extending to Hawaii the alien contract labor laws of the United States and providing for the substitution of American for Hawaiian silver coinage, the House also approved the measure, April 6. The Senate accepted the amendments, and the President signed the bill, April 30. — **The government**

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of Cuba has remained in charge of the military authorities. General Brooke was superseded as governor-general, December 13, by Major-General Leonard Wood, whose earlier successful administration at Santiago commended his appointment to Cubans generally. The membership of the cabinet was immediately increased by the addition of special departments for agriculture and public instruction. Greater regularity, also, in the discharge of duty and heightened responsibility in the selection of subordinates were demanded of the cabinet officials. General Wood then proceeded to appoint a series of commissions, composed of Americans and prominent Cubans from all parts of the island, to revise the legal and judicial system, to reorganize the municipalities, to reform the methods of taxation, and to investigate the management of the prisons. Friction between the military and civil authorities, moreover, engaged the attention of General Wood. The action of General Ludlow, military governor of Havana, in summarily fining a newspaper for malicious attacks upon the administration, occasioned the issue of an order, January 19, which declared that the methods of military government should not be employed unless the civil agencies proved incapable of maintaining the public peace. But when General Ludlow differed with the civil governor of Havana province over their respective jurisdictions in the city of Havana, the governor-general sustained the former's contention that the military power was superior to the civil within the limits of the city proper. General Ludlow has since been recalled and the military departments of Havana and Pinar del Rio consolidated. The purpose of General Wood to maintain respect for his authority has been made evident by the summary dismissal of the fiscal of the supreme court for advising that body to protest against the vigor of the American officials in pressing the trial of certain Cuban appraisers, accused of fraud in the Custom House at Havana. For collusion with strikers the mayor and the chief of police at Cienfuegos were removed from office. Finally, in order to curb the excesses of newspapers, the powers of the police court in Havana were increased, April 13; but, out of deference to the wishes of his cabinet, General Wood consented that two civil judges should sit with the American army officer who constituted the court for the trial of such cases. Other administrative measures were: An extension of the American public school system; the establishment of an insular treasury; the allowance of an appeal to the governor-general in doubtful cases of classification at the custom house; an extension of municipal autonomy, through the curtailment of the powers conferred upon the civil governors of the provinces; the abolition of the administrative court of appeals instituted under the Spanish law; the creation of correctional courts in all the large municipalities; and provision for the severe punishment of perjury. A census of the island was taken in November and showed the following results: 187,826 native white males of legal age, 96,083 Spaniards, and 127,300 colored. In February the Mayor of Havana rescinded the ordinance forbidding the display of the Spanish flag (see last RECORD, p. 739). — Officially, at least, the suppres-

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sion of the revolt in the Philippines has been achieved. The slowness of the advance in northern Luzon (see last RECORD, p. 741), due to the almost impassable roads, balked the design of the Americans to capture Aguinaldo. But Tarlac, the insurgent capital, was occupied November 12; and this was followed by the liberation of thousands of Spanish prisoners and the capture of various members of Aguinaldo's family, cabinet, congress and military staff. Thereafter the operations of the insurgents degenerated into little more than incessant guerilla warfare. The progress of the Americans northward continued until about the middle of December. Aparri, the extremity of Luzon in this direction, was reached, and all the important centres of population were garrisoned. The only serious misfortune encountered by the Americans was the killing of General Lawton by a Tagal sharpshooter, December 18. Active operations having been transferred to the southern part of the island, the suppression of rebellion in the province of Cavité was followed by the occupation of the hemp-producing country. Here, as in the northern section, pursuant to orders from the President, ports were thrown open to commerce and civil governments instituted, wherever feasible. Elsewhere than in Luzon American dominion has been extended without force of arms, save in Panay and Mindanao; still, even in these islands, comparative pacification had been attained by the close of the year. The inclusion within the Philippine group of a number of islands in the vicinity of Borneo called forth a rather factitious protest from Spain, on the ground that they lay outside of the limits assigned by the treaty of Paris; but the United States repelled the claim, for the reason that the language of the treaty implied the cession of all territory in this quarter of which Spain had held the sovereignty. On March 27 the establishment of the Philippines as a military division, and its partition into four departments, marked officially the belief of the United States that the insurrection had terminated. The military courts have since treated guerilla warfare as brigandage and inflicted punishment accordingly. — In the realm of civil administration orders were promulgated legalizing civil marriage, removing certain restrictions upon internal traffic and appointing a board of Filipinos and Americans to formulate a general plan for municipal government. An order embodying this plan was promulgated March 29. — The **final report of the Philippines Commission** was submitted February 1. The commissioners advocated the creation of a system of government on the principle that the islands should form a political unit, rather than a confederation. The frame of government should consist of a Governor-general and Cabinet, a Senate and a Chamber of Deputies, the Senate should be half appointive and half elective, and the Chamber wholly elective on a restricted suffrage. And to represent the interests of the Philippines the presence of a delegate in Congress was urged. Other recommendations were: an assurance to the natives of the full enjoyment of civil rights and immunities; a liberal measure of local self-government, under the supervision of American district commissioners; preference to natives over Americans

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in every case of equal qualifications for office, and the application of the merit system to appointments; independence of the insular finances; reduction of the tariff, as a stimulus to foreign trade; the establishment of public education and the sale of property claimed by the religious orders. The commissioners reported that the general sentiment among the Filipinos was favorable to ultimate independence of the United States. Following a suggestion of the commission, the President, February 6, intrusted the provisional government of the Philippines to a **new board of civil commissioners**, headed by Judge William H. Taft, of Ohio, the other members being Judge Henry E. Ide, of Vermont, Mr. Luke E. Wright, of Tennessee, Prof. Bernard Moses, of the University of California, and Prof. Dean C. Worcester (of the former commission). Early in April, General Otis was relieved of command in the Philippines at his own request, and the military division was assigned to General MacArthur. — The ravages of the hurricane of last summer, the uncertainty as to the island's political status, with the accompanying administrative confusion, and the continuance of the tariff isolation (*cf.* above), combined to render the **economic situation of Porto Rico** deplorable and to produce a positive deficit in the revenues at the end of January. In order to alleviate the general distress, an extension of six months was granted, January 19, on the foreclosure of mortgages; and the abolition of certain superfluous offices was decreed, March 3. — In **Guam**, polygamy, concubinage and slavery (peonage) have been officially abolished. On February 12, the island, together with Tutuila, was placed under the jurisdiction of the Navy Department.

INTERNAL ADMINISTRATION. — In order to relieve a **stringency in the financial market** during the last months of 1899, which was attributed largely to the withdrawal from circulation of money paid under the revenue act of 1898, the Secretary of the Treasury redeemed about $20,000,000 worth of United States bonds, anticipated the interest due upon $5,000,000 more of the same, and increased the number of depository banks for government funds, as well as the amounts placed in them. Replying to a resolution of inquiry from Congress, Mr. Gage denied that any favoritism had been shown to the national banks and defended the diversion to them of public revenues from the sub-treasuries, as a precaution in behalf of the business world against the evil just described. At the close of nine months of the fiscal year the surplus in the Treasury had risen to $54,000,000. — A treaty concluded by the Dawes Commission with the Cherokee Nation, April 12, provides for the allotment of their territory, the payment of their public debt and the grant of United States citizenship upon the receipt of their title deeds. — For the purpose of promoting the general efficiency of the military system, the Secretary of War, February 20, ordered a board of officers to prepare plans for the establishment of an Army War College. A few weeks later the Secretary of the Navy created a Naval Board, of which Admiral Dewey was made president.

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CONGRESS. — The first session of the Fifty-sixth Congress opened December 4. Vice-President Hobart having died November 21, Senator Frye of Maine, the president *pro tem*, assumed the chairmanship of the Senate; David B. Henderson, of Iowa, was elected Speaker of the House of Representatives. The chief instances of contested seats were: in the Senate, that of W. A. Clark, of Montana, charged with bribery in procuring his election; and in the House, that of B. H. Roberts, a polygamist from Utah. In view of the fact that the credentials of Roberts were regular, the question arose, whether he should be expelled after he had taken his seat or be excluded forthwith. An active public sentiment against Roberts was manifested and the House finally declared in favor of immediate and summary exclusion, by a vote of 302 to 31. In the case of Senator Clark, after a long investigation, the Committee on Privileges and Elections resolved unanimously to declare the seat vacant; but no further action has yet been taken by the Senate. — **The President's message** advocated a series of financial measures (incorporated in the Senate bill described below); legislation on the subject of trusts; the appointment of a commission to study the economic conditions of China; an enlargement of the navy; and the extension of the jurisdiction of the federal courts over international cases, where ultimate responsibility rests upon the federal government. — The subjects that consumed most of the session were the status of the dependencies (see above) and the **adoption of the gold standard.** Within the first week bills on the latter were introduced in both Senate and House. As the Senate bill was substantially the one enacted into law, a recital of its chief provisions follows: (1) A declaration that the gold dollar is the unit of value, and that all forms of money are to be maintained at a parity with it; (2) the establishment of a gold reserve fund of $150,000,000, to be preserved if necessary by the issue of bonds, and to be employed for the redemption of United States notes (greenbacks) and treasury notes; (3) the gradual substitution of silver certificates for the treasury notes; (4) the refunding of the national debt by two per cent bonds running thirty years; and (5) modifications of the law as to national banks, so that hereafter the minimum capital shall be $25,000, the banks may issue notes up to the par value of their United States bonds deposited in the Treasury and the tax on their circulation shall be one-half of one per cent. In the debate upon the bills, opposition, as of old, was directed mainly at the adoption of the gold standard, at the discretion vested in the Secretary of the Treasury to increase the national debt for the maintenance of the gold reserve and at the refunding principle, as tending to defer the payment of this debt in order to enable the national banks to issue more currency. On December 18, the House passed its bill, 190 to 150, eight Democrats voting in the affirmative; and on February 15, the Senate adopted its own bill as a substitute, 46 to 29, two Democrats voting in its favor, with an amendment declaring that the act was not intended to preclude the establishment of bimetallism by international agreement. The

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measure, as agreed to by the conference committee, was on March 6 passed in the Senate, by a vote of 44 to 26, and a week later in the House, by 166 to 120. — The only other important measures which have thus far been acted upon are a bill to establish a commission for the purpose of investigating the economic situation of Eastern Asia, with an amendment providing for the exclusion of members of Congress from executive appointments (passed by the Senate, March 24); a bill providing for the construction of an isthmian canal through Nicaragua and Costa Rica, under the auspices of the United States and subject to its absolute control (passed, 225 to 35, by the House, May 2); and a bill to reorganize the army, by making the line and staff interchangeable and by creating an artillery corps as a separate branch of the service (passed by the Senate, May 4). — Among the many propositions which have not gone beyond the reference and discussion stage may be mentioned: a bill to subsidize the merchant marine (House); a bill to give to the federal courts jurisdiction over cases concerning violation of the treaty rights of aliens (House and Senate); a bill to establish an executive department of commerce and industry (Senate); and a bill to improve the consular service (House).

THE FEDERAL JUDICIARY. — The Supreme Court has decided: that the constitutional guaranty of the liberty to make contracts does not limit the power of Congress so far as to prevent it from legislating upon the subject of contracts in restraint of interstate or foreign commerce, and that an agreement between corporations which prevents competition in public bidding for contracts violates the anti-trust act of 1890 (Addyston Pipe and Steel Co. *vs.* United States, December 4, 1899); that a bill signed by the President during a recess of Congress is valid law, if so signed within the ten days allowed by the Constitution (La Abra Silver Mining Co. *vs.* United States, December 11, 1899); that the refusal of a state court to enjoin a local board from maintaining a high school solely for white children, while failing on account of insufficient funds to maintain one for colored children, does not exclude colored persons from the equal protection of the laws (Cumming *vs.* County Board of Education, December 18, 1899); and that the grant of priority to creditors residing in the state, over those who reside out of it, is a violation of the constitutional provision for the equal privileges and immunities of citizens in the several states (Blake *vs.* McClung, January 8, 1900). The decision in the case of Maxwell *vs.* Dow, rendered February 26, deals with several points of constitutional law. According to the opinion of the court, the privileges and immunities of citizens of the United States do not include the right of trial by jury in a state court for a state offense; and the fourteenth amendment has not made operative upon the state courts all the provisions contained in the first ten amendments, because the language of a constitutional amendment is to be interpreted in connection with the circumstances under which it was adopted, and for the purpose of realizing the plain object involved in such adoption.

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STATE ELECTIONS. — Including Kentucky, seven out of the ten states which held general elections, November 7, chose the Republican candidates. The election **contest in Kentucky** engaged the attention of the entire country. On the face of the returns, W. S. Taylor, the Republican nominee, was elected governor by a majority of 2383 over his Democratic opponent, William Goebel; and the board of election commissioners, instituted under the so-called "Goebel law," awarded the proper certificate to Taylor, who assumed the duties of the office. The constitution of the state, however, authorizes the legislature to decide contests over the election of governor and lieutenant-governor, and party feeling became so intense that several bodies of militia were stationed at Frankfort, the capital. On January 30, Mr. Goebel was shot and fatally wounded by an assassin, whereupon the Democratic majority in the legislature immediately declared the dying man invested with the governorship. This action was met by a proclamation of the *de facto* governor, asserting Kentucky to be in a state of insurrection, and ordering the legislature to meet in London, an obscure town of Republican sympathies in the mountainous region. The Democratic members refused to obey the proclamation and proceeded to hold legislative sessions at Louisville till February 19, when they returned to the capital. Since that time practically two governments, accompanied by much confusion yet by comparatively little violence, have been maintained in Kentucky. After the United States circuit court had refused to intervene, an agreement was reached between the parties to refer the contest to the state courts, and thence by a writ of error to the Supreme Court of the United States. The former declared that they had no right to review legislative action which was in accordance with the constitution of the state. On April 16, therefore, an appeal was laid before the supreme court, based upon the claim that the decision of the Democratic majority in the legislature to disregard the certificate of the legally empowered election board was contrary to "due process of law," as prescribed by the federal Constitution.

STATE LEGISLATION. — In Mississippi a **constitutional amendment** establishing an elective judiciary was ratified by popular vote. The legislature of this state adopted a resolution for a constitutional amendment which alters in favor of the white population the basis on which the school fund is distributed. The legislature of Georgia rejected a proposition aimed at the constitutional disfranchisement of the negro by drastic educational tests. As to **political measures**, New York forbade the solicitation of money from candidates for office; New York, Massachusetts and Iowa rejected woman suffrage; California declined to invest the governor with the power of summary removal; and Iowa authorized the use of voting machines. Attempts to abolish the death penalty met defeat in New York and New Jersey, and the latter refused also to allow the substitution of life imprisonment in capital crimes at the option of the jury. **Social legislation** was framed in New York, providing for the punishment of persons who live on the earnings of prostitution and for the restriction of

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common law marriages; in Ohio, enacting that a uniform compensation be given to men and women engaged in the same kind of work; in Georgia, prohibiting the employment of children in factories. Maryland sanctioned a bill to reorganize the county school boards, and South Carolina failed to establish compulsory education. — Acts involving **discrimination against the negro** were adopted in Georgia, South Carolina and Virginia, compelling the use of separate accommodations in railway coaches for whites and blacks, in the state last named the provision being extended to steamboats. — Acts concerning **taxation** were passed in Texas, levying impositions upon certain occupations, with the incidental object of suppressing cotton exchanges and brokerage; in Virginia, creating the office of commissioner of valuation of personal property and incomes; in New Jersey, imposing a tax upon the gross receipts of the holders of municipal franchises; while in New York a bill to tax mortgages and deposits in savings banks failed of passage. — By **judicial decision** the following acts were declared unconstitutional: that of Maryland, prohibiting certain corporations from selling goods to employees (November 23); that of Nebraska, creating a state department of insurance (December 19); that of Minnesota, levying an inheritance tax (February 15); that of New York, fixing the price of mileage tickets (March 10); that of Virginia, just enacted (see above), establishing a commission of valuation (March 30); and that of Ohio, forbidding the discharge of workmen on account of affiliation with a labor union (April 5). (For legislation respecting cities see **Municipal Affairs.**)

THE TRUST QUESTION. — **Anti-trust legislation** has been proposed in many legislatures. In Virginia and South Carolina, bills of the drastic sort, modelled upon the recent statute of Texas (see last RECORD, p. 746), were rejected. In Mississippi, however, a bill of that type became law. — **Decisions** of the federal courts were uniformly hostile to the indiscriminate warfare of the legislatures against trusts. For example, the district court of Kansas, November 27, declared unconstitutional, as amounting virtually to confiscation, a law of that state vesting a "court of visitation" with autocratic powers of control over corporations. The circuit court in Illinois similarly, January 29, held an anti-trust statute of that state, which exempts agricultural products from its operation, to be a contravention of the fourteenth amendment. Legislation concerning department stores, moreover, has been subjected to unfavorable judicial decisions. The supreme court of Illinois, December 18, invalidated a municipal ordinance prohibiting the sale of certain commodities in such establishments; and the supreme court of Missouri, February 20, affirmed the unconstitutionality of an act taxing these stores out of existence. On the other hand, the state courts in Texas, Missouri, Ohio, Illinois and Indiana sustained the anti-trust laws of their respective states. — A somewhat radical **trust conference** opened at Chicago, February 12, and effected the organization of a body to be known as the American Anti-Trust League. The platform includes nationalization of various public utilities and the aboli-

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tion of protective duties on trust products. — The **Industrial Commission** submitted to Congress, March 1, a preliminary report, recommending that the widest publicity in the affairs of corporations be insured by a system of government inspection and that a general enlargement of powers be conferred upon the Interstate Commerce Commission.

MUNICIPAL AFFAIRS. — A recently ratified amendment to the state constitution transferred the functions of the county supervisors within **New York City** to the municipal assembly; and another, supplemented by legislation, facilitated the preparations for an underground railway system, by increasing the financial capacity of the city and by extending the jurisdiction of the rapid-transit commissioners to the several boroughs. Ground for this railway, of which the cost of construction will be $35,000,000, was formally broken March 24. In accordance with the recommendations made by the Mazet legislative committee, January 15, a commission to revise the municipal charter was provided for by law, and the city was prohibited from entering into a contract with a private water company. Too great readiness on the part of the corporation counsel to confess judgment against the city, under the so-called "prevailing rate of wages law," occasioned the passage of an act to check this practice. — Maladministration in the municipal government of **Chicago**, where, as in New York, the evils of facile confessions of judgment were apparent, has been revealed in a practically bankrupt treasury. This condition an improved method of book-keeping and a recent decision of the supreme court of Illinois, removing restrictions upon the power of taxation, have tended somewhat to relieve. — The opening of a canal between Lake Michigan and the Mississippi River, January 2, to drain the sewage of Chicago, caused the state of Missouri to apply to the Supreme Court of the United States for an injunction to prevent the pollution of the river from that source.

LABOR AND CAPITAL. — Numerous **strikes and lockouts in Chicago** have been the most conspicuous fact under this head. Of these the most important has been that involving the building contractors and the Building Trades Council, acting in behalf of the workmen. The question at issue was not so much the hours of labor, the scale of wages or the recognition of individual unions, as the attitude of the Trades Council. In consequence of the strikes called by this body, and instigated, it was said, to some extent by certain minor contractors who desired to exclude from Chicago building material prepared elsewhere, the general contractors resolved, in November, that they would no longer submit to interference by the Council as to the amount, methods or materials of labor. After two months of fruitless negotiation, the contractors formally notified the Council of the rules of work and rates of wages to be enforced. A general lockout followed, affecting over 50,000 men. In retaliation the labor leaders have sought to bring about sympathetic strikes in all the large cities of the United States and Canada. Since compromise has been rejected, the situation resolves itself into a matter of endurance. Of late

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the strikers have resorted to violence, causing death in four cases and severe injury in over a hundred others. Meanwhile the prevalence of this and similar industrial conflicts caused the serious consideration of projects to remove certain manufacturing plants altogether from Chicago. In St. Louis also the employees of the street railway lines went on strike early in May, for an extension of the control of their union over the system of employment. The strike has been attended by several riots. — Judicial opinions on the subject were rendered, one by the supreme court of New York, January 5, denying the right of a labor union to force a man out of employment because he refuses to change his industrial affiliations; and the other by the chancery court of New Jersey, December 4, holding that, while it is lawful for men to strike and to persuade others to do so, the means adopted must never be coercive.

LYNCH LAW. — Incidents under this head in the Southern and Western states have numbered forty-two, of which thirty-four of the victims were colored. The offenses included only eight for which summary execution has been the rule. Revolting cruelty was displayed in the treatment of a negro charged with murder in Maysville, Kentucky, whom, December 12, a mob tortured and then burned at the stake. — Race disturbances took place in Virginia and South Carolina, resulting in the death of one white man and several negroes. — In order to abate the evil of lynching, Governor Longino of Mississippi recommended to the legislature the passage of a law to authorize the person injured by a mob, or in event of his death his heirs, to recover heavy damages from the county where the outrage occurred. As enacted, the law differs from the governor's suggestion, in that the suit for indemnity is to be tried before a jury from the locality to be affected by the imposition of the penalty. Some progress, however, has been made in procuring the condemnation of mob rule by juries. Although a federal jury in Indianapolis awarded but five dollars damages for insufficient protection to a prisoner, two white men in Texas were convicted and sentenced to life imprisonment for lynching three other whites. The jury in this case was obtained only after more than two thousand persons had been rejected from the panel. — It is interesting to note, furthermore, that a **plan to deport negroes** from Georgia, where they have suffered considerably during recent years, to other states has been frustrated by the white farmers themselves, who, realizing the indispensability of negro labor, threatened to lynch the agents concerned in the plan and practically compelled the railroads to cease furnishing trains for emigrant negroes. — A conference of Southern white men assembled at Montgomery (Alabama), May 8, to discuss the negro problem. The most notable solutions offered were the repeal of the fifteenth amendment to the Federal Constitution and the separation of the white and black races, by deporting the latter to the dependencies.

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II. FOREIGN NATIONS.

EUROPEAN INTERNATIONAL RELATIONS. — By the terms of the convention of November 8, effecting the **partition of Samoa** (see p. 356), Great Britain agreed to withdraw its claims to the territory, in consideration of the cession by Germany of the Tonga Islands and Savage Island, together with Choiseul and San Isabel in the Solomon group. The Germans took formal possession of their share of Samoa, March 14. In addition to this ready adjustment of the Samoan difficulty, the visit of Emperor William to Queen Victoria, November 20, under the existing circumstances, was regarded as betokening an unusual degree of official friendliness between Germany and Great Britain. Popular excitement in Great Britain was kindled against France, however, by offensive caricatures of the Queen, published by irresponsible Parisian journals, but it did not affect apparently the official relations with that country. — The ratification by the United States (February 5) and Germany (March 28) of the convention regarding international arbitration, drawn up at the Peace Conference (see last RECORD, p. 749), completed the sanction of all the great powers represented. Certain amendments, made in March, to the existing arbitration treaty between Germany and Austria-Hungary were designed to obviate pretexts for political prosecutions, and hence provided that a person extradited should not be punished for an offense other than that upon which the request for extradition had been based.

GREAT BRITAIN AND IRELAND. — The substance of the **Queen's speech** at the opening of Parliament, January 30, was a request for money to carry on the war in South Africa. During the course of the debate that followed on the address to the throne, Sir Henry Campbell-Bannerman criticised the conduct of the government in dealing with the Boer republics, but promised the support of the opposition in prosecuting the war to "vindicate the integrity of the empire." The speech of Lord Salisbury was devoted rather to satirizing the alleged imprudent concessions made to the Boers by the Liberal party under the Gladstone ministry, than to presenting a cogent explanation of the many reverses that the British arms had recently encountered (see p. 378). But, although certain utterances of Lord Salisbury and Mr. Balfour outside of Parliament made it apparent that the government had underestimated the military efficiency of the Boers, and called forth severe strictures even from Conservative sources, still the results of several bye-elections to Parliament demonstrated the popular unwillingness to discredit the administration seriously at present. In Parliament an amendment to the address to the throne, censuring the ministry for its lack of "knowledge, foresight, and judgment," was defeated February 6, by a vote of 352 to 139. — **The military preparations for the war in South Africa** absorbed the energy of all classes, from the royal family down. A stimulus was imparted to the general activity by an

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alarmist speech of Lord Rosebery in the House of Lords, February 15, wherein he asserted that, in December, Great Britain had made fruitless overtures to Germany and the United States for an alliance against a threatened European intervention. In January a special corps known as the "Imperial Yeomanry" and another called the "City of London Imperial Volunteers" were raised and equipped largely at private expense, and an eighth division of the army was mobilized for active service, thus making the total force available in South Africa about 200,000 men. In February the government laid before Parliament a project to increase the army by 120,000, the expense of which should be met by a supplementary appropriation of £13,000,000. This was immediately followed by a personal appeal of the Queen to her former soldiers to reënlist for home defense, under the promise of a liberal bounty. Over 17,000 responded within three days. Parliament having voted the sum desired, the Chancellor of the Exchequer laid the revised budget before it, April 6. The deficit for the two years 1899–1901 he estimated at £36,000,000, instead of at £55,000,000 as set forth in the original budget (March 5). This he proposed to meet by the issue of £8,000,000 in treasury bills and of £30,000,000 in bonds. Parliament approved the plan with little debate. — Another side of the war policy appeared in various **efforts to placate Ireland.** On March 7, a royal order was issued, permitting Irish soldiers, in commemoration of the gallantry displayed by the Irish troops in South Africa, to wear sprigs of shamrock on St. Patrick's Day, and a month later, for a similar reason, came a further command for the formation of a regiment of foot, to be called the "Irish Guards." The climax, however, was furnished, April 4, by a **visit of the Queen** to Ireland, after an absence of nearly forty years. Her welcome was hearty, if not altogether enthusiastic.

THE BRITISH COLONIES AND INDIA. — The most striking event under this head has been the **military coöperation of the colonies with the mother country.** For some time after the war in South Africa had begun Great Britain declined the offers of assistance from Australia and Canada, except in the shape of infantry sent at the expense of the colony concerned. But experience in South African warfare soon changed this attitude, and the mother country not only welcomed the dispatch of mounted contingents but even asked for them, and expressed a willingness to pay for their transportation. Further appreciation of colonial loyalty was manifested by the distribution among Australians and Canadians of a large number of commissions in the British army. — On March 13, the House of Commons in Canada decisively approved the policy of the Dominion government in sending troops to South Africa, by rejecting, 119 to 10, a resolution which provided that this action should not be construed as a precedent. A few days later the Minister of Finance declared that the preferential tariff rates in favor of Great Britain would be increased from one-fourth to one-third. — As to the prospect of **federation in Australia**, no com-

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promise has yet been reached upon the demand of Western Australia for the retention of its own tariff system intact for the period of five years. On the other hand, the imperial government has manifested much objection to those clauses of the commonwealth bill which restrict the right of appeal to the Privy Council and confer large powers upon the federal legislature of Australia over "external affairs." — The ravages of **famine in India**, due, it is said, to a prolonged drought, have been especially terrible in the northern and central provinces. The number of persons to whom actual relief was given rose from 700,000 in November to more than 5,000,000 in April, while approximately 60,000,000 altogether were affected by the calamity. Since February the plague has carried off an average of 4000 a week.

FRANCE. — Despite numerous interpellations on the subject of its **campaign against clerical and military ascendency** in political affairs, the position of the rather incongruous ministry, constituted "for the defense of the Republic" (see last RECORD, p. 753), remained unshaken. In connection with the anti-clerical agitation, the Budget Committee of the Chamber of Deputies went so far as to demand the abolition of the embassy to the Vatican and a wholesale reduction of ecclesiastical salaries for the benefit of school-teachers. To these radical propositions the ministry would not accede; but it announced, in November, a determination to prosecute certain religious orders that were striving to control the system of secondary education or, under an ecclesiastical guise, to maintain a political propaganda. Its first measure, a bill providing that all candidates for governmental positions should spend three years in a state secondary school, was disapproved by the parliamentary Committee of Education. Then the ministry concentrated its efforts upon the Assumptionists and their politico-religious newspaper, *La Croix*. A decree of the Minister of War, General de Galiffet, which forbade the use in military precincts of publications that continually attacked the Republic or its existing government, was followed by the institution of formal **proceedings against the Assumptionists.** On the basis of a semi-obsolete section of the penal code, concerning unlawful associations, the Correctional Court, January 24, pronounced the abolition of the order. This roused the anger of many prominent prelates, among them the Archbishop of Paris, whereupon the government administered a reproof to the archbishop and withheld for a time the salaries of the other offending clergymen. Further, after some negotiation with the Vatican, the management of *La Croix* was assigned wholly to laymen. — Among **military reforms**, the ministry has advocated the restriction of courts-martial in time of peace, and the admission before them of extenuating circumstances in evidence. In January, moreover, a rejuvenescence of the official list was ordered, by assigning to the Minister of War larger powers over advancement in the lower grades of the army, according to term and excellence of service. **The aftermath of the Dreyfus case** was seen in the conviction of Déroulède

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and a few other alleged conspirators before the Senate, January 4 (see last RECORD, p. 752). In view of extenuating circumstances, the sentences imposed were limited to exile or short terms of imprisonment. Subsequently the government proposed an amnesty for all persons prosecuted in connection with the "*affaire*," but neither Dreyfusards nor Anti-Dreyfusards welcomed the scheme. — **Naval and colonial problems** met with unusually careful consideration in the Chamber of Deputies. A special credit of 60,000,000 francs was voted for coast and colonial defense, while discussion was directed to measures appropriating 900,000,000 francs more for that purpose and for a huge increase in the navy. A bill to transfer the management of colonial troops to the War Department was approved by the Chamber of Deputies, April 6; and a proposition to extend to the colonies (except Algeria and Tunis) the law of military service received some attention.

GERMANY. — Soon after the opening of the session, November 14, the Reichstag again rejected the penal servitude (anti-strike) bill and repealed the law that prohibited the union of industrial and other associations. In the course of the debate on the budget, Count von Buelow, the Minister of Foreign Affairs, advocated an **enlargement of the navy**, on the ground that recent political events, as well as the increase in naval armaments elsewhere, demanded a commensurate progress in behalf of German commercial and colonial enterprise. On this project and on others (see below), more or less related to it politically, the government has been striving to effect a combination of the parties needful to insure success. The bulk of the Conservatives, the National Liberals and the moderate Radicals favored the scheme; while the Centrists, the Agrarians and the Social Democrats opposed it, employing, among other arguments, the fact that the so-called "sexennate" of 1898, regarding the construction of new warships (see RECORD for June, 1898, p. 380), had not yet expired. As approved by the Bundesrath, January 25, the measure embodying the scheme provided for a practical doubling of the present naval strength by 1916, at a cost of 1,600,000,000 marks. Of this sum 783,000,000 were to be raised by a loan and the remainder from the ordinary revenue. After some debate, the Reichstag referred the bill to the Budget Committee, which, on April 24, adopted a motion of the Centrists to reduce by thirteen the number of cruisers proposed for foreign service and the reserve. — Meanwhile the attention of the Reichstag was absorbed in the discussion of two important measures. The first, called the "**Lex Heinze**," introduced by the government and supported by the Centrists, provided for a far-reaching control by the police over the exposure and sale of books, pictures and other objects, as well as the holding of public entertainments, alleged to be offensive to decency. A vigorous propaganda against this moral censorship has since been carried on by the literary and artistic classes throughout the empire, with so much success that the measure seems to have been dropped. The second great project, the **Meat Inspection Bill**, was originally framed

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merely with the design of guarding the public health, but was so amended by a committee of the Reichstag in the interest of the Agrarians as to lay onerous restrictions upon the importation of meat, and even to provide for its absolute exclusion after 1904. Not only have chambers of commerce and other anti-agrarian bodies fought the bill strenuously, but the government also expressed disapproval of its partisan nature. Nevertheless, the bill passed its second reading, March 8, by a vote of 168, including Conservatives, Centrists and National Liberals, to 99, consisting mostly of Radicals and Social Democrats. Late in April, however, the government effected a compromise with the Conservatives, by which the proposed exclusion of foreign meat was laid aside. Ignoring the opinion of the imperial chancellor, the Reichstag, February 20, adopted by a large majority a resolution favoring the elision of the so-called "dictatorial paragraph" in the law of 1879 relating to the administration of Alsace-Lorraine. On this point, however, the Conservatives sided with the government. — The new Civil Code went into effect January 1.

AUSTRIA-HUNGARY. — All events of political importance have continued to group themselves about one of two themes, the compromise-union (*Ausgleich*) and the language question. Almost as soon as the Reichsrath had assembled, considerable opposition developed with regard to the action of the Thun ministry in promulgating by decree the arrangements with Hungary concerning **the Ausgleich** (see last RECORD, p. 754). The right to issue the decree was based upon paragraph 14 of the Austrian constitution, which confers extraordinary powers upon the executive in cases of emergency; but the charge was made that the government had used the provision as merely a political expedient. Although measures intended to modify, if not to eliminate, the article failed to obtain the two-thirds majority needful, a reconsideration of the ministerial decree in regard to the financial relations of Austria and Hungary was effected November 22. The quota committees from the respective Diets agreed to increase the share of Hungary in the common expenditure from 31.4 per cent to 34.4 per cent; but with the understanding that the other items of the arrangement should remain as they were. Persistence in the obstructive tactics of the Czechs, Poles, Clericals and Anti-Semites against the "concession bill," embodying this adjustment with Hungary, called for the personal intervention of the Emperor with the party leaders in the Reichsrath; but the Czechs refused to heed his exhortations, unless the Clary cabinet were dismissed and their grievances on the language difficulty redressed. Since Count Clary had promised not to put the financial arrangement into effect by the aid of paragraph 14, another provisional ministry of officials was formed for this purpose, December 23, under the presidency of Dr. von Wittek. The Reichsrath was then prorogued and the financial measures validated by decree for six months. — The policy of the **new cabinet**, constructed by Dr. von Koerber (formerly Minister of the Interior under Count Clary), January 19, was

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distinctly that of conciliation, particularly in reference to the **controversy over the language question.** In order to carry out this policy, ministers without portfolio, representing the German, Czech and Polish nationalities, were admitted into the cabinet, their function being to act as mediators between the ministry and the several parties. The chief topics before the Koerber cabinet were the determination of the official language in the local districts of Bohemia and Moravia, and the reorganization of the Bohemian Landtag by an extension of the franchise, with a view to lessening the influence of the nobles and clericals. As to the former point a bill providing for the division of Bohemia and Moravia into Czech, German and mixed districts was laid before the Reichsrath, when it reassembled early in May. — Outside of these most hotly contested issues the Koerber ministry secured more definite success; for, prior to its adjournment in March, the Reichsrath passed a recruit-contingent bill and proceeded to elect the Austrian delegation for the ensuing year.

RUSSIA. — Further evidences of the Czar's desire to promote the **commercial and industrial expansion** of the empire (see last RECORD, p. 755) have been seen in the appointment of a commission to revise the old style calendar and in the creation, January 13, of a new state department of industry, art and commerce, whose duty it will be to diffuse education and to foster production. The decree of May, 1897, providing for the general exclusion of foreign vessels from the Russian coasting trade, went into effect January 1. Encouraged by the success of the liquor monopoly, M. Witte, the Minister of Finance, has elaborated a plan to convert the petroleum industry of the Caucasus region, now in private hands, into a government enterprise. As a first step in this direction, the government intends after 1901 to take in lieu of taxation 40 per cent of the crude product and thereby to compete with private trade. On December 28, when the last rails of the trans-Baikal section of the **Siberian Railway** were laid, direct steam communication was established between Europe and Eastern Asia (Vladivostok); but the connection wholly by rail will not be complete until the sections from Stretensk to Kharbarovsk and Vladivostok (*via* the Manchurian Railway) have been finished. Thousands of peasants, chiefly from the famine-stricken districts, have availed themselves of the inducements, such as nominal fares, allotments of land and exemption from taxes, which the government has offered for populating Siberia. On May 7 the Czar decreed the **abolition of arbitrary exile to Siberia** without judicial inquiry. — The **absorption of Finland** into the empire has become virtually an accomplished fact. Aside from repressive measures, like those prohibiting assemblages of Finns for political purposes and the playing of Finnish patriotic airs by military bands, the speech from the throne at the opening of the Diet, January 27, was ominous. The Czar declared that henceforth the deliberations of the Diet must be confined to matters of purely local interest, otherwise some doubt might arise "as to whether the institution of the Estates is compatible with present conditions."

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In order to check the steadily increasing emigration of Finns, which he attributed to the failure of harvests, the Czar recommended the enactment of a measure to enable peasants to acquire land. A rescript, addressed to the governor-general, which appeared soon after, censured the members of the Diet for their strictures upon the manifesto of February, 1899 (see RECORD for June, 1899, p. 383), and bade the governor-general impress the people with the true meaning of acts designed to draw more closely the ties between Finland and the empire. Its practical **extinction as a grand duchy**, in March, was marked by the abolition of the office of Assistant Minister of State for Finland and by the removal of the special oath hitherto required of the Finnish district governors when about to enter the Russian service.

ITALY. — As a consequence of revelations concerning his alleged affiliation with the Mafia, General Mirri, the Minister of War, resigned his portfolio, January 4. The premier, General Pelloux, assumed the duties of the office till April 7, when Count Ponza di San Martino was installed. — A royal amnesty was granted, January 1, to persons accused of participation in the disturbances of May, 1898. **A decision on the decree for the public safety** was rendered by the Court of Cassation, February 20. On the ground that the Parliament had not expressly voted the requisite indemnity, the court pronounced invalid the enforcement of the decree (*decreto-legge*), which embodied the substance of the so-called "*provvedimenti politici*," or measures of public safety (see last RECORD, p. 756). This opinion coincided with the views of the opposition in the Chamber of Deputies, who asserted that the constitution of Italy restrained the Crown from carrying out political measures, without the previous approval of the popular body. Hence, when the ministry introduced a bill to secure the indemnity desired, the Left employed its power of obstruction so energetically that Signor Colombo, president of the Chamber, resigned, March 3, and the bill was withdrawn. He was promptly reëlected, however, by a vote of 265 to 158, and a resolution was passed aiming to check obstruction decisively by altering the order of business. Thereupon, April 5, the *decreto-legge* was revoked by a further royal decree.

SPAIN. — The agitation in behalf of administrative reforms, and against the payment of taxes, culminated in a **demand for provincial autonomy** in financial matters. Early in December a committee, appointed by the associated chambers of commerce, laid before the government a scheme which provided that the Minister of Finance should conclude an agreement (*concierto económico*) with the provinces for a period of five years, regarding the methods of taxation and the system of collection; also that whenever the Cortes might levy new taxes their assessment and collection should become a matter of special arrangement between the government and those provinces which possessed a *concierto económico*. Supported by the Cortes, the cabinet declined to sanction this substantial revival of the *fueros*. With reference, moreover, to the financial question, a min-

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isterial crisis was averted in December only by the eventual assent of the Cortes to a bill submitted by the Minister of Finance which provided for the continuance of the estimates of the old budget until the deadlock over the new should be broken. Nevertheless, a reconstruction of the cabinet took place in April.

MINOR EUROPEAN STATES. — The electoral bill, creating a system of proportional representation, was finally adopted by the Parliament of **Belgium** in December. — The cabinet of **Sweden** was increased in April by a ministry of agriculture. — A prolonged controversy in **Greece** between the Crown Prince and the Minister of War, with regard to the management of the army, resulted in the passage of a bill, March 24, intrusting the task of reorganization wholly to the former. — Evidence of rivalry between Germany and Russia in Asia Minor was afforded in recent railway concessions granted by **the Ottoman government.** An iradé, issued November 25, permitted an extension of the (German) Anatolian railway system from Konieh, *via* Bagdad, to Basra, at the mouth of the Euphrates. As a counterpoise, Russia obtained in March a practical monopoly of railway construction in the somewhat indefinite "basin of the Black Sea" (extending presumably as far west as Bender Eregli and as far south as Kaisarieh). Anxiety over the renewed agitation of "Young Turkey" prompted the Sultan to establish embassies in Belgium and Switzerland for the better supervision of Turkish refugees. Also, with the intention of removing the chronic deficit, he appointed commissions to reform the local budgets and, in March, without consulting the foreign embassadors, ordered the customs duties to be increased. A joint protest, however, induced him to revoke the order.

THE ORIENT. — The announcement, late in January, of a contract with the Bank of Teheran for a loan of 22,500,000 rubles, to run seventy-five years, attested the growth of **Russian influence in Persia.** Repayment of this sum was to be guaranteed by the customs revenues, except those of the provinces bordering on the Persian Gulf, already mortgaged as security for the British loan of £500,000 made in 1892 (see RECORD for December, 1892, p. 774). The agreement specified, also, that out of the present loan Persia should redeem its financial obligations to any other country and should effect no further loan from abroad until the expiration of the period above mentioned. On this point, it was reported in February that the British loan had been paid off, thus placing the customs revenues of Persia practically under Russian management. — **Chinese hostility to foreign innovations** has been more manifest than usual. The Empress Dowager, November 21, secretly instructed the provincial governors to resist foreign encroachments with force. On January 24, she announced the deposition of the Emperor, in a proclamation which assigned his poor health as a cause and appointed as his successor a child relative. Owing, however, to the general dissatisfaction which this action kindled, she was forced to postpone the formal execution of her design. The reactionary tendencies of

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the regent were again revealed, February 7, in an edict commanding the resumption of Confucian methods of study for official examinations and decreeing the abolition of the study of the "depraved and erroneous subjects of the Western schools." Accompanying these official declarations popular outbreaks against foreigners occurred, chiefly in the northern provinces of Shan-tung, Pe-chi-li and Ho-nan, where a powerful secret society, commonly known as the "Boxers," robbed and massacred missionaries and converts almost at will. Ordinary remonstrances having proved futile, the British, American, French and German ministers demanded in March the total suppression of the "Boxers," with the alternative threat of sending troops into the districts concerned. An edict was thereupon issued in April, commanding the abolition of the society; but thus far it seems to have had no effect. — In spite of edicts and demonstrations, the acquisition of **railway concessions** was not checked. By way of reparation for the murder of two French officers, and in order to atone for the dilatoriness of the viceroy of Canton in adjusting certain claims, two islands in the Bay of Kwang-Chau-Wan, east of the Gulf of Tongking, together with railway and mining rights on the adjacent mainland, were granted to France in December, and Li Hung Chang was appointed viceroy of Canton. About the same time Japan and Belgium obtained railway privileges: the former in the south, to build a line from the Yang-tse-Kiang to Amoy, and the latter in the north, to connect the Lu-han road with Peking. Russia, also, received a concession for a line from Kalgan southeast to Peking and from Lu-han south to Honan-fu. — Diplomatic relations between China and **Corea** were established in February, by the conclusion of a treaty of commerce and the erection of an embassy at Seoul. The apparent advance, moreover, of Russian ascendency in the Corean Empire revived the rumors of a possible conflict with Japan.

THE WAR IN SOUTH AFRICA. — Sir Redvers Buller was appointed to the command of the British forces in South Africa late in October, and a plan of operations was adopted that involved an advance against the Boers in three columns. The first, under Lord Methuen, was to proceed from Cape Town to the relief of Kimberley and Mafeking; the second, under General Gatacre, was to go from East London to defend the northern frontier of Cape Colony against the Boers from the Orange Free State, as well as to repress disloyal tendencies among the Dutch colonists in that region; while General Buller himself, with the bulk of the army, should start from Durban to raise the siege of Ladysmith. Early in November the Boers began to invade Cape Colony, and forthwith declared the country between Colesberg and Griqualand East annexed to the Orange Free State. At the same time, their main army, under General Joubert, in Natal, pushing southward past Ladysmith, occupied Colenso and proclaimed the annexation of northern Natal. Meanwhile, the British relieving force had concentrated a few miles south at Estcourt. But sorties from Ladysmith and assaults upon the town alike having proved fruitless, both besieged and besiegers

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awaited the advance of General Buller. — In December **three disasters to the British** occurred in close succession. While on his way to Stormberg, on the 9th, General Gatacre lost seven hundred men in an ambuscade. The progress of General Methuen to Kimberley was decisively checked on the 12th, with nearly a thousand casualties, at Magersfontein, only a few miles south of his goal. Three days later, General Buller, attempting to force a passage of the Tugela River by a frontal attack, was repulsed with a loss of nearly twelve hundred men and ten guns. The first part of the British campaign thus ended in utter failure. — In order to counteract these reverses, and to stem the rising tide of disloyalty among the Dutch settlers in Cape Colony, the British government resolved to create an army of two hundred thousand men, including regulars, militia, yeomanry, volunteers and colonial contingents, for service in South Africa; and, on December 17, announced the appointment of Field Marshal Lord Roberts of Kandahar to supersede Buller as commander-in-chief and of Lord Kitchener of Khartum as chief of staff. On the other hand, a heavy repulse at Ladysmith January 7, the failure of the Dutch colonials to rise in general insurrection and the news of Great Britain's gigantic armament caused a shifting of the Boer tactics from the offensive to the defensive. On the 11th of that month and on February 5, General Buller made a second and a third attempt to reach Ladysmith, but without success. Thereupon, using Buller's division to hold the Boers in Natal, Roberts determined to relieve both Kimberley and Ladysmith by a rapid **invasion of the Orange Free State** from the west. Accordingly, on February 13, a flank movement by a large detachment of cavalry forced the Boers to abandon their position at Magersfontein, to raise the siege of Kimberley and to retreat in haste toward Bloemfontein. They were overtaken, however, by Lord Roberts, with forty thousand men, at Paardeberg; and on the 27th their commander, General Cronje, was obliged to surrender his whole force, numbering about four thousand. The British army then advanced without serious fighting and occupied Bloemfontein, March 13. Here Lord Roberts remained till early in May, preparing for the movement on Pretoria; while at the same time detachments of his army drove out the Boers from the southern and eastern parts of the Free State, and opened communications with Cape Town. The seizure of Brandfort, May 3, marked the beginning of the general advance toward the Transvaal. — The withdrawal of the Boers from Natal to oppose Roberts cleared the way for Buller, and the **relief of Ladysmith** followed on February 28, the Boers falling back on the Biggarsberg and Drakensberg mountains to the north. The net result of the campaign has been the partial expulsion of the Boer invaders from Natal and Cape Colony; but, despite efforts at relief from the direction of Rhodesia, the Boers have maintained the siege of Mafeking. Up to April 28, the total casualties to the British army exceeded eighteen thousand. — Several **international occurrences in connection with the war** are to be noted. The fact that foreign adventurers, as well as food and other supplies,

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were being transported through Portuguese territory from Lorenzo Marques, on Delagoa Bay, led to the seizure of certain vessels laden with American food products. In response to the protest of the United States, Great Britain agreed not to treat breadstuffs as contraband of war, unless intended for consumption by the armed forces of the enemy. British cruisers also captured several German vessels bound for Lorenzo Marques, but no violation of international law could be proved, and, at the instance of the German government, Great Britain agreed to indemnify the owners of the vessels for any losses sustained by the detention and to abstain from further acts of this kind. On the other hand, the constant pressure of Great Britain on the Portuguese authorities at Lorenzo Marques produced a more careful observance of neutrality. Incidentally, in April, Portugal, acting on the basis of a treaty concluded with Great Britain in 1891, permitted a detachment of British troops to be landed at Beira (Portuguese East Africa). The Boer republics naturally regarded this proceeding as a breach of the neutrality due them as belligerents, for such the British government in November had conceded them to be. — **Proposals for peace** were made by Presidents Krüger and Steyn, March 5, on the basis of the recognition by Great Britain of the independence of both republics as "sovereign international states" and the immunity of Dutch colonial rebels from punishment. These terms the British government absolutely rejected; whereupon, March 13, the two Presidents sent to the United States and several European powers a **request for intervention**. Complying with this request, President McKinley formally tendered the good offices of the United States. Lord Salisbury, however, declared that her Majesty's government was not prepared to accept the intervention of any power in South Africa. As this attitude made offers of mediation from any other source impossible without war, the European governments declined to act further, unless desired so to do by both belligerents. Still the Boer republics dispatched three commissioners to sound the European powers and the United States as to the feasibility of intervention, on the basis, it is said, of an international guaranty for the permanent neutrality of the Transvaal and the Orange Free State.

OTHER AFRICAN AFFAIRS. — An adjustment of **German and British colonial interests** in Africa was effected during November, by a clause in the Samoan convention (*supra*, p. 369), providing for the delimitation of the hinterland of Togoland and the Gold Coast colony. An agreement was reached also between Germany and the British South Africa (Chartered) Company, according to which the railways for the opening of Bechuanaland to the western coast of Africa should be laid through the German southwest protectorate, and another with the African Transcontinental Telegraph Company, to carry the Cape-to-Cairo line through German East Africa. — Italy also effected an arrangement with Great Britain, to divide the Kassala-Massowah (Erythrea) region north of Abyssinia. — According to the terms of the **Delagoa Bay award**, March 29, the Swiss

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arbitrators, to whom were submitted the claims arising from the seizure by Portugal of the Delagoa Bay Railroad in June, 1889, decided to allow the American and British claimants an indemnity of $3,000,000, with interest, a sum representing merely a fraction more than the cost of construction. — A final struggle near Jedid, about forty miles southeast of Khartum, November 23, between the Dervishes and the Egyptian troops under General Wingate, practically annihilated the former and caused the **death of the Khalifa.** On December 23, General Wingate succeeded Lord Kitchener as Sirdar and governor-general of the Sudan. — As to the **French expeditions** in the territory between Tripoli and Lake Chad, assigned to the French sphere of influence by the treaty of March, 1899 (see RECORD for June, 1899, p. 387), the massacre of M. Bretonnet and his party early in November by Rabah, the ruler of the region between Lake Chad and the Cameroons, was avenged a few weeks later by a force of colonial troops from the French Congo. The Flamant mission, also, moving southward from Algeria to the oasis of Tidikelt in January, captured Insala, and by the end of April had gained possession of practically all of the oasis. — The sultan of Morocco, however, protested against this alleged encroachment upon his territory. — Owing to the attempts of the governor of the Gold Coast colony to seize the symbol of native royalty called the "golden stool," a serious insurrection broke out in the Kumassi district of Ashanti late in March.

LATIN AMERICA. — With the capture of Maracaibo in December, the revolution in Venezuela practically ceased. The one still prevailing in Colombia has placed the country in great financial straits. — An arbitration treaty between Paraguay and the Argentine Republic was signed in November. Commercial agreements also were concluded, December 26, between Mexico and China (according to which English is to be the official language); and between Uruguay and Germany, January 24. — Some disturbances, which arose from the action of the French consul in attaching the revenues of **Santo Domingo** as security for the payment of the arrears of a certain indemnity, were quieted by the dispatch of a warship in January, and the amount due was quickly paid.

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